

MINUTES
Board of Forestry Meeting
Wednesday-Thursday, March 17-18, 2010
Anchorage, Alaska

Wednesday, March 17

Call to Order and Roll Call. Chairman Maisch called the meeting to order at 8:35 a.m. Anchorage and Fairbanks teleconference rooms were connected. All board members were present: Rob Bosworth, Jeff Foley, Erin McLarnon, Matt Cronin, Wayne Nicolls, Mark Vinsel, Ron Wolfe, and Eric Nichols.

Public Meeting Notice. The meeting was noticed by issuing public service announcements and press releases, mailing announcements to interested parties, and posting a notice on the state and Department of Natural Resources (DNR) websites. *(See handout)*

Approval of agenda. *(See handout)* The agenda was unanimously approved with a change of the speaker on the state of the timber industry and on the Sustainable Forestry Initiative from Owen Graham to George Woodbury, and a date correction on the prior meeting's minutes.

Approval of Minutes. The Board reviewed and unanimously approved the October 7-8, 2010 minutes with minor grammatical corrections. *(See handout)*.

Announcements.

- Wolfe said that there is a hearing today in Washington D.C. on HR2099, the bill on the Sealaska land entitlement. Byron Mallott is the witness for Sealaska and testimony will be posted on the Sealaska website.
- Freeman reported that Society of American Foresters (SAF) policy is to grant continuing education credit for Board field trips, but not for meetings. SAF has evaluated the August BOF field trip at six Category 1 CFE credit hours. Thanks go to Jim LaBau from the Alaska SAF for help in getting credit approved.
- The joint Alaska Northern Forest Cooperative/SAF meeting will be held in Anchorage with a 2-day meeting and a 1-day field trip on April 29-May 1, 2010. DOF will send the agenda to the Board. The theme is on traditional and new views of forestry in Alaska. Andy Youngblood is completing a study on reforestation in the interior and may present it at the meeting. Wolfe asked that the Board's regards be sent to Youngblood.

Old Business I

Proposed FY11 operating and CIP budgets; FY12 FRPA budget needs. Kerry Howard, ADF&G Division of Habitat director reviewed the Habitat Division history *(see handouts)*. Habitat management statutes go back to the late 1950s. The Sport Fish, Commercial Fisheries, and Game Division had habitat responsibilities before a separate Habitat Division was created. Peak staffing for the division occurred in the late 1970s to early 80s. In 2003, the Governor moved the division to DNR as the Office of Habitat Management and Permitting. At that time, the division's staff was reduced by 18%, and its budget was decreased 11%. The Division was moved back to ADF&G in 2008, and now has 47 positions in three regional offices and three area offices. Habitat Division recently closed the Petersburg office, and moved its functions to the Juneau office.

Howard referred to a pie chart (*handout*) showing the Habitat Division's \$5.9 million FY11 budget authority request. Habitat Division funds are dominantly General Fund money, followed by interagency receipts. It is a continuing challenge to maintain an adequate budget and retain staff. The Habitat Division has been lucky to hire new, young, well-educated biologists with some experience, but Howard said that the division doesn't know yet whether the conditions of state employment are attractive enough to retain the new people. About 20% of the existing staff is eligible to retire within three years, which is a concern, especially for management of major projects. Kristin Dunlap left for private sector. Jackie Timothy reported that Dunlap worked on Columbia River blasting, and is now working for Ground Zero in New York monitoring blasting in the Hudson River. It is fabulous and frustrating that training for her and others makes these employees attractive to other employers.

Section 319 funds are currently \$85,000 per year, but will decrease and may disappear in FY12. With downturns in the timber industry. Habitat has spent less on FRPA work. The division projects a balance for FY11, but not enough to make up money that will be lost in FY12. Habitat Division knows it has a hole to fill in FY12, especially when the industry is on a downward slide, and it is hard to get legislative attention for the relatively small and uncertain amount of money. The division still issues over 3000 Fish Habitat permits per year.

Cronin asked Howard to elaborate on the decline in FRPA work. Howard explained that ADF&G responds to development activities – the Habitat Division does all the work that comes in, but there's less FRPA work coming in. Bosworth asked whether there have been any results of state studies on compensation impacts on hiring and holding talent. Howard said that question would be better answered by someone from the Department of Administration (DOA). They completed a cost-of-living study and the recommendations are out. It shows that southeast Alaska employees are underpaid and others overpaid, but she understands that DOA doesn't plan to act on that. State biologists are generally perceived as underpaid relative to federal biologists and the private sector. Federal biologists have a higher cost-of-living adjustment and base pay. She doesn't know how state compensation rates compare to other states.

The state is about to embark on major classification studies for ADF&G. The studies may or may not affect pay at the end. The study could establish a higher class for Habitat Biologists, but changes don't necessarily come with more funding, and some positions could be downgraded. The state administration and legislature are aware of the issues, but it's not clear whether there will be changes. Nichols asked whether the Habitat Division has lost more new or older employees. Howard replied that the division has enjoyed great loyalty in its long-tenured staff. There has been turnover in the Anchorage and Juneau offices. Regional Biologist Jackie Timothy has been successful in hiring, but also high turnover. Howard said she would have to look up data on the percent of turnover. The Division has ongoing recruitment all the time.

Wolfe noted that as baby boomers grew up, there was a shift in student-teacher ratios to deal with the bulge in population. School boards wanted to maintain that ratio after the bulge to control budgets. Can you assess the FRPA work load from times past – is there a sense that there weren't sufficient inspections or oversight during the peak FRPA period in the past due to inadequate staff, and if so are inadequacies now being perpetuated? Howard said she didn't know. There were more biologists previously, and more of the budget was FRPA-related. Staff, budget, and work load have all declined. If the industry is rejuvenated, the division is down staff and money, but that is an unknown. Wolfe asked whether Howard could say that she hasn't heard that staff members were overwhelmed in the past. Howard replied that the Habitat staff did feel overwhelmed in the past – their information always came in at the last minute because of the amount of work they were doing.

Kevin Hanley, DEC, was a Habitat Biologist for ADF&G in Ketchikan in 1990-95. He said that they had to make do with what they had staff for – they were very overworked, but Habitat was on the ground for FRPA. Hanley noted that the legislature funded additional Ketchikan, Klawock, and Sitka positions as part of the FRPA effort. Habitat Division now has fewer offices.

Maisch referred the Board to the trends charts in the DOF report – all trends are declining.

Cronin asked whether the agencies can hire consultants in peak periods, so that they don't need permanent hires. Can you have a list of contractors you could use to do inspections? Howard said that they haven't done that. She said that for some big mining projects, the agencies expect the company to have its own oversight staff supplemented by periodic inspections and review by DFG employees. To get the quality you want, a state employee might be cheaper than a contractor given private salaries plus contract administration costs. She noted that ADF&G has a flat-line budget.

Hanley commented that the idea of contracting was previously discussed by the Board. At that time the industry was very concerned about public credibility issues with having non-agency personnel do inspections. Maisch said that the Board discussed having the timber company contract to do the work, and that was not acceptable.

DEC. Hanley reiterated that Section 319 funds will not continue in FY12. DEC will continue to provide Section 319 funds to DOF (\$115,000) and ADF&G (\$85,000) in FY11. Federal Section 319 appropriations have been declining. DEC has used up the backlog of unspent funds that was available in the past. Gilder said that the total Section 319 amount to Alaska has declined from approximately \$2.8 million in 2003 to \$2.3 million in 2010. The \$200,000 committed to FRPA affects the amount of money available for other grants. DEC has received \$1.2 million in grant proposals for FY11. Originally DEC thought \$640,000 would be available for pass-through and ACWA funds from Section 319 and other sources (e.g., BEACH funding). Currently DEC believes the amount will be less than originally projected.

Hanley noted that DEC has just one FRPA staff position and suggested that if push came to shove, one position dedicated to FRPA in each region might be an option for the other agencies.

DOF. Maisch reported that the FY11 request for the Division of Forestry (DOF) is basically a flat budget (*see handout*). Some new initiatives had some success at Commissioner level, but not at the Office of Management and Budget level, including a fuels mitigation/biomass energy proposal. DOF does support the Governor's budget. The proposed budget for Forest Management and Development is \$6.1 million; for Fire Preparedness \$17.1 million, and for Suppression \$13.7 million. The Suppression budget is based on 10-year average, but actual costs are typically much higher, e.g., near \$30 million for the 2009 season. The Preparedness budget covers up front fixed costs for fire management such as training, and aircraft contracts. DOF does have some additional funds coming in through the American Recovery and Reinvestment Act (ARRA) and other sources for special projects.

The DOF capital budget hearing is today in the Senate Finance Committee; Rick Rogers is covering the hearing. Requests for FY11 include replacement of wildland fire trucks (\$1.1 million); replacement of tactical aircraft tactical replacement (\$600,000), replacement of land mobile radios (a Dept. of Administration request for \$625,000), and statewide timber inventory (\$215,000). The inventory would provide new or more detailed inventory in the MatSu, Glennallen, Tok, and Haines areas to support bioenergy projects. The capital budget also includes authority for DOF to receive \$1.8 million in federal and local government funds, such as ARRA funds and borough receipts to contract state fire crews for fuel mitigation work.

FRPA funding totals approximately a half-million dollars in the DOF budget. FRPA activity is down across all metrics except for inspections on state land.

Maisch explained that fire and resources funds are in separate components, and funds can't be traded across them. Fire has two components – the Preparedness budget for work to prepare for fire season – contracts, crew hiring, training, etc., and the Suppression funding for actual responses to fires. The Suppression budget is calculated on a 10-year average, which is less than actual costs almost every year. DOF requests additional funds in a supplemental budget based on actual fire activity each year. Bosworth asked whether unspent Suppression money returns to the state treasury if there is a light fire year. Maisch said it would if the funds were unspent, but that hasn't actually happened because of the increase in the amount of fire occurring now relative to the base period in which the average cost was calculated. The length of the fire season, number of fires, and acreage of fires have increased. Weather patterns and the spruce bark beetle outbreak changed fire conditions. The bark beetle infestation led to grass cover that has resulted in early, flashy fires. The state needs to review and recalculate the average annual suppression cost figure.

Cronin asked whether the “private” category includes federal land in the FRPA statistics, and why state land inspection data only start in 2007. Maisch explained that “private” includes Native and Trust land. DOF started to put more emphasis on FRPA inspections on state land in 2007. Freeman added that DOF didn't previously separate FRPA reports and compliance reports. Maisch noted that state timber sales in southeast spiked in the period shown, but southeast sales are only a portion of state sales.

Wolfe commented that based on the FRPA activity data, it would be difficult to defend a budget increase with the legislature. Maisch agreed. He said that the decrease in federal funds is what is putting us in a bind at this point. Wolfe observed that that information doesn't jump out from the report. Maisch responded that DOF has broken past funding out by source, but that wasn't been persuasive in the last funding request. He noted that the Board packet includes an interesting *Oregonian* article on cuts to the Oregon forest practices program. Freeman explained that the funding trend chart includes General Fund, Section 319, and timber sale receipt capital project funding that is dedicated to FRPA work. The capital funds will also be expended by the end of FY10. Maisch noted that capital funding has been good source of FRPA support in the past, but the legislature has revamped how they use capital funds, and limit capital money primarily to construction projects, not increases in agency work.

Nichols asked whether DOF projects future trends Freeman replied that DOF's annual report includes projections on pages 23-24. The Southern Southeast Area does project some 2010 increase, but it is hard to project beyond that. Nichols concurred that it gets pretty hazy by 2012 – it depends on what happens with Sealaska entitlement. Freeman added that the Mental Health Trust exchange proposal is also an issue. Maisch reported that DOF is holding two positions open to assess workload changes before filling them.

Bosworth asked whether DOF has discretion to move money around, e.g., from restoration projects. Maisch said that the restoration funding intent isn't for FRPA – DOF has to be careful to match actual work to the appropriation intent. The closest thing would be reforestation or thinning, which is largely funded by capital rather than operating funds.

2010 legislative proposals.

HB 162 Southeast State Forest. (*See handouts*) The bill is now in the Senate Resources Committee. The Resources Committee is co-chaired by senators Wielechowski and McGuire. Ex-ADF&G Commissioner Frank Rue is now working for Sen. Wielechowski. Rue asked many questions about changes in the intent for state forests that occurred in 2003 legislation. That bill de-emphasized multiple use in State Forests.

Maisch said that State Forests must still manage for multiple uses, but the changes affect weighting of timber and other uses when dealing with multiple use conflicts. DOF has not used that language since it changed, and DOF hasn't supported revising the bill to reverse the 2003 changes. HB 162 received an additional referral to the Senate Finance Committee at the request of Sen. Stedman. There is potential for introduction of an amendment to address a state park issue over a park in-holding near Juneau. DNR would not support such an amendment. It has become a difficult session to move the bill forward despite broad support from communities. There may be a role for the Board to visit legislators.

Nicolls asked whether there is any history of State Forest land being withdrawn for another use like a park. Maisch said no -- the parks issue in the potential amendment is completely separate from State Forests. Bosworth asked whether the State Forest proposal intent is to support local mills in southeast Alaska -- that's a great selling point and he hopes the legislators understand that. Maisch said yes, and noted that other than Wielechowski, legislators have expressed no opposition to the bill.

Wolfe asked whether the Administration is pushing the bill -- is DOF getting enough Governor's Office support. Maisch said yes, it is a Governor's bill. He added that the previous DNR legislative liaison is now in the Governor's Office, and Melanie Lesh is back as the DNR legislative liaison -- both of those positions are helpful for the bill. The hold up is Wielechowski's resistance to scheduling a hearing.

Cronin asked whether there is a description of the land and its designated uses. Maisch replied that all the land in the bill is currently designated General Use. The bill would put these lands in a legislatively designate area, and a management plan will be developed for them. The intent is to manage for commercial forestry to support timber industry.

Cronin said that the briefing paper wording on the transition from old growth to second growth harvesting is overstated. Maisch observed that on this small land base, the timber will be converted to young growth. Cronin said that the statement is too broad; it implies that there won't be any more old growth harvesting in southeast and that doesn't have legislative support. Maisch said that the key is the time frame. If you say it will happen over 40 years it reflects what's happening. Cronin stated that silviculturally, landowners don't want to be prohibited from harvesting old growth. The emphasis on young growth is from the groups that always try to stop harvesting. Maisch said that the transition to young growth is an idea that has been part of the discussion on this bill.

Wolfe commented that there is a disconnect -- some people think we will transition to young growth harvesting faster than is possible in southeast Alaska. As the industry looks at areas that have been harvested, there will be a transition to young growth that will occur over time, toward 2035. As the industry shifts, he hopes that there will still be some component of old growth harvesting, although the proportion may change. It is important to think about needs for specialty products like music wood that need old growth. Maisch agreed that old growth harvesting won't disappear, but in the future the main industry will depend on young growth. However, that won't occur in five years.

Cronin said that looking at the West and predicting that there won't be a demand for timber and other uses of public land is naïve. Nichols commented that for a state that purports to support the timber industry, the state only allows a third of its southeast land to be used for timber. There is no industry with if there is no land base. Does the State Forest designation make it easier or more difficult to consolidate state tracts in the future? Economic viability is difficult on small tracts. Maisch said that it wouldn't make it more difficult, because the land would be set aside for a specific use. The only place to get lands for consolidation is from federal ownership. Challenges are limitations on selection acreage and difficulties in acquiring federal land. Nichols repeated that the small scattered parcels must be addressed to make harvesting economical. Nicolls asked how much of Southeast State Forest proposal is young

growth. Maisch replied that DNR has about 11,000 acres of young growth, and most of that is in the State Forest proposal. The state still has more old growth than young growth.

Nichols asked whether the reference to thinning in the briefing is pre-commercial thinning. Maisch said yes, and that most would be ARRA funded. Nichols said that it would get difficult to justify cost of commercial thinning. Maisch noted that ARRA funds are a windfall because DOF usually has a limited thinning budget. Bosworth asked whether there is a deadline on the ARRA money. Maisch replied that the federal agencies want it spent as soon as possible. DOF will move forward quickly.

Maisch said that if the State Forest bill doesn't get through this year, DOF will work to reintroduce it next year.

HB 112 Forester registry and BOF membership. HB 112 remains in the House Commerce Committee and hasn't been heard. It is unlikely to be heard unless the Board specifically requests a hearing. The intent is to let the bill die in committee.

Tongass Land Management Plan (TLMP) implementation update. Kyle Moselle, ADF&G, reported that there has been modest progress on TLMP implementation as a result of the dedicated state positions. For fish and wildlife issues, the outstanding issues are wildlife. The TLMP standards, guidelines, and best management practices (BMPs) cover fish protection – there are not a lot of controversial fish issues. The wildlife issues are wolf management and sustainability on Prince of Wales Island (Game Management Unit (GMU) 2), and the wildlife analysis method that the USFS is using in its National Environmental Policy Act (NEPA) documents for proposed timber sales.

The wolf issue was raised through the NEPA process on the Logjam timber sale. The USFS and ADF&G Division of Wildlife Conservation are analyzing the latest wolf mortality research from ADF&G. When that's done over the next three to four months, the agencies will ask whether there is a wolf sustainability concern in GMU2. This relates to the wolf standard and guideline in TLMP. If there is a concern, the agencies must develop and implement a wolf management strategy.

For the wildlife analysis issue, the USFS is transitioning to a new wolf management model. The current models -- the "deer model", "bear Model", "goat model", "marten model", etc. -- have been used for years, but there are questions about how they've been applied. Tom Hanley, USFS, has been working on a new food-based model. In the interim, the USFS is trying some new techniques. ADF&G questions the interim techniques used for the Tonka and Central Kupreanof timber sales. The Petersburg ranger district used a productive old growth (POG) analysis for the Central Kupreanof DEIS that the ADF&G area wildlife biologist felt didn't have enough resolution to determined measurable effects of the timber sale. The Central Kupreanof sale is on hold for this and other reasons. The Tonka sale is using the same technique. The USFS has agreed to take another look at the technique before the DEIS comes out.

Nichols asked whether the decision on the Diesel/Logjam timber sale will be upheld in the 9th circuit court. It was litigated based on state-federal wildlife biologist correspondence. Have the lines of communication changed? Moselle explained that one of plaintiffs said there wasn't a proper evaluation of wolf mortality, and used a Freedom of Information Act request to get e-mails from individual biologists. The timber sale was upheld at the district court. ADF&G is learning a lot through this process, and learning about the roles of individual biologists, leadership, and the consolidated state Tongass Team. One lesson learned is that a coordinated comment letter from the state after the FEIS and Record of Decision (ROD) is important. The biologists' comments in question came at the DEIS stage, but a lot changed before the final. At the DEIS stage there will still be concerns. ADF&G provided information to the court supporting the sale. ADF&G is learning how to avoid creating problems for the attorney general's office in subsequent litigation. Nichols commented that this isn't the first time this has

happened. Comments by state employees have had a big financial impact on this industry. He felt good at last Board of Forestry meeting that the agencies were speaking with one voice, and then comments by state biologists were the basis for a lawsuit on the Logjam timber sale.

Moselle responded that you can speak with a unified voice without tying the hands of individual biologists to correspond on specific issues. The legal issue is what the state's official opinion is, rather than an individual biologist's. Nichols replied that there is a lot of credibility because of a person's status as a state biologist in the court review. Just slowing the process down has a big impact. Moselle observed that what's different with the Logjam suit is that those e-mails were sent before Moselle was involved. When he started, he teased that issue out of the Logjam project – it relates to a larger scale situation across all of Prince of Wales Island, not an individual project. Individual biologists haven't seen that scale. ADF&G is now working with the USFS at the appropriate scale on the appropriate management issue. That's coming to bear on the legal case too. Logjam was the first timber sale where the state spoke with one voice, but the sale planning occurred before all the new processes were in place – it's a transitional project.

Nichols asked whether the state will look at hunting regulations if wolf mortality is a concern. Most of the mortality is likely from hunting rather than food shortages. Moselle explained that the food-based model will assess carrying capacity for deer, not wolves. The wolf management plan that could be triggered for Prince of Wales Island is subject to the TLMP standards and guidelines. The wolf standards and guidelines say you have to look at all possible risks to mortality including legal and illegal hunting, and road densities. The agencies are currently reviewing Prince of Wales Island wolf mortality data from Dave Persons' (ADF&G) study. Cronin said that the biggest problem identified with wolf mortality in a previous report was poaching, but the agencies wrote off enforcement as an effective option. Obviously, if you are worried about wolves, you would cut back on hunting. They reproduce quickly. Bear reproduction is slower. Cronin will try to find report and make it available to board.

Cronin said that the state has a goal to increase timber harvest on federal land, as well as to manage wildlife. The departments should get together on policies. It's fine for biologists to trade science, but not to recommend policy. There's a mix-up on who should set state policy if there are biologist e-mails about policy by state employees.

Maisch emphasized that that is the purpose behind the state Tongass Team, and said that the interagency effort is the reason there isn't a temporary restraining order on this sale at this stage. He agreed with Moselle's point that we need to comment at the FEIS stage. We didn't comment at that point because the USFS had taken the state's prior comments and addressed them all. The state will comment on the FEIS in the future to document that concerns were addressed. This time the Attorney General's Office collected affidavits from ADF&G to document that the concerns had been addressed.

Cronin said that a 1995 paper in the Wildlife Society Bulletin by John Schoen, Matt Kirchoff, and T.M. Franklin on science-based conservation advocacy was a manifesto on how to stop timber harvest. Are state biologists using that approach to stop timber sales? They joined a lawsuit under The Wildlife Society, although Schoen and Kirchoff were state biologists. That would be fine if they were in the private sector, but not as public employees. Howard responded that there is always a dilemma. Employees have information, and may have opinions that differ from elected officials. The ADF&G Commissioner recently laid out guidelines for staff on communications. If they are representing the department, they must follow department and administration policies. If they are speaking as individuals, they must clearly state that, take leave from their job to speak as individuals, etc. Cronin said that the question remains – are state biologists trying to stop timber sales with selective use of biology? The courts give deference to government biologists. His opinion and experience is that that is what is happening. Moselle stated that no ADF&G biologist had ever told him that their purpose is to stop timber

sales. Some say it is difficult to meet the mission statement of their division or department in addressing timber sales. That's where his position bridges the gap – he has the context of management guidelines, regulations, etc. TLMP has guidelines that the USFS must meet. The biologists' role is to present the concerns; others must make decisions based on input from the technical biologists. When the science and policy lines are blurred, that's where we get problems. We've never had a person dedicated to being mindful of that before. That's why some input to the NEPA process has been detrimental to the timber industry before.

Cronin reiterated that management and science are different. Science has nothing to do with management objectives. A doctor gives options for treatment, and the patient has to decide. Biologists and others must provide information on what will happen under different scenarios, and then officials must make decisions.

Cronin asked whether ADF&G is considering mortality from hunting as well as food if they are going to a food-based model. People who are part of a profession should be free to state their opinions – it would be a horror to expect them to stifle their opinions. Nichols added that the problem isn't what people do on their own time, it's what they do on state-paid time – that's state business. Vinsel noted that office e-mail and company letterhead not is the same thing. Howard said that the Habitat Division is responsible for ADF&G's comments on any project requiring a permit or any resource development activity. ADF&G's comments the go to the DNR Office of Project Management and Permitting. The Commissioner's instructions to the Habitat Division are to "over-coordinate" internally – seek out the best information from the other divisions. Moselle added that if that process works, then internal e-mails won't have the same effect.

Clarence Clark, DOF summarized recent TLMP-related events. In December 2009, the Diesel timber sale from the Logjam project was awarded to Viking Lumber Company. It included 24 MMBF at a purchase price of \$1.8 million -- about 76\$/MBF. This was the first project completed under the new TLMP, with its new standards and guidelines, and the first one in which the state was involved in from the beginning. Clark was on the interdisciplinary team, although Moselle wasn't yet on board. The team chose the alternative that Clark put together as an economic alternative. Timber pays the cost for all roads that need to be built. The sale covers its own cost and returns revenue to government. The state made a difference.

Conservation groups filed suit on wolf, deer, fish, and culvert issues on the Diesel sale. The judge issued a 10-day temporary restraining order on the sale, but lifted it on March 8, and ruled against a preliminary injunction. The ruling said the court would leave the science to the professionals, and said that it appeared that the USFS did a reasonable job on wildlife issues. Plaintiffs filed an appeal on the injunction decision. The State has filed for intervenor status; that has not yet been granted, but the court has read the State's material.

Denny Bschor retired January 1 from the Region 10 Regional Forester position. Beth Pendleton is the new Regional forester as of March 1.

There is a new court ruling on the Orion North timber sale regarding wildlife and economic issues. The judge placed an injunction based on the economic issues only; he said they would leave the wildlife science to the professionals. Orion North contains 5 MMBF out of a much bigger Sea Level EIS. The court said the Orion North economics were very different from the Sea Level EIS, and said the USFS had to redo the economic analysis. The USFS hasn't decided whether to proceed. Orion North is in a roadless area. Nichols said that there was active road construction occurring on the sale at the time of the injunction, and reported that the injunction put 30-40 people out of work.

In December 2009, the Organized Village of Kake filed suit on the roadless issue, charging that the USFS was not following the federal roadless rule in Alaska. The State has been granted intervenor status on the case.

A Southeast Conference lawsuit against the TLMP adoption said that old growth reserves were a taking that required a Congressional action, and opposed the adaptive management strategy that prevented the USFS from meeting market demand as required by the Tongass Timber Reform Act. The judge upheld the TLMP in February 2010.

In December 2009, the USFS national office issued its intent to review the Planning Rule. The State filed a request to participate as an equal partner in the review. The Planning Rule would set the requirements for the next TLMP revision.

On May 28, 2009, the Secretary of Agriculture issued a one-year moratorium on all work in roadless areas without prior approval by the Secretary. In August 2009, he also issued authority Aug 2009 authority to Regional Foresters for roads in roadless areas under some circumstances, primarily for fire suppression. On the Tongass, the moratorium has brought the USFS planning and TLMP implementation to a standstill. The Tongass National Forest has been told they have to brief the Washington Office on any projects involving roadless areas, old growth, or any projects that could be controversial. The USFS issued the FEIS for the Central Kupreanof timber sale, and then pulled it back. They haven't done any work on that sale since – about half of Central Kupreanof is roadless. The ROD for the Navy timber sale was issued last summer, and then remanded to the district office for more work; much of the sale is in roadless areas. The Sue 2 timber sale is included in the roadless area and is on hold. The Tongass National Forest is waiting for the Washington Office to approve proceeding with the Tonka timber sale – it has a small amount of roadless area. The USFS deals with roadless areas in the TLMP adaptive management plan. Under the plan, the annual allowable cut is 267 MMBF, but the USFS has committed to stay in Phase 1 areas only – roaded and low value roadless land -- until the industry harvests 100 MMBF for two years. When that happens, the USFS will open up additional medium value lands. Approximately 76% of the roadless land is already in non-development land use designations. Only 3% is in the suitable land base for timber harvesting. Even if harvesting and road-building occurred at maximum allowable cut level (267 MMBF) for 100 years, over 80% of the Tongass National Forest would remain roadless. Last year, the USFS only sold 15 MMBF, not 267 MMBF. In February, Forrest Cole, Tongass Forest Supervisor, said that the USFS would not be offering any timber in 2010 based on the requirement to have the Washington Office pre-approve all work. The second half of Logjam is 30 MMBF which was slated to come out this year – it is all roaded, but includes old growth and is controversial. Timber on the shelf is either uneconomic or tied up in litigation except for small sales for mom and pop operators.

Cronin asked whether the state can get more land in southeast Alaska since there are no more long-term contracts for pulp mills. Clark replied that that Tongass Futures Roundtable (TFR) has been trying to identify areas of least controversy, including areas with potential for transfer into state control by changing the existing selection priorities on some state land. The deadline for state selections has passed, although seven million acres not yet conveyed. The State was limited to 400,000 acres of selections in southeast Alaska partly due to long-term timber contracts on the Tongass National Forest at the time. Changing the land selection rules would take Congressional action and political will within the state. Other DNR divisions are not enthusiastic about that idea because of the workload to reprioritize selections, and competing interests in land selections that would have to be relinquished.

Cronin asked whether the state can just ask for more land. Maisch said he didn't know; the State would have to tell Congress we didn't get enough in our original entitlement. There has been no direction to do that at this point.

Nichols noted that the court upheld the TLMP. What consequences are there to the USFS now for not upholding the plan by not putting up timber sales? Clark said that there's no downside to the USFS. The Tongass Timber Reform Act says the USFS must seek to meet market demand. The Southeast Conference suit said that TLMP didn't let them do that. The court ruling says that the USFS must only "seek" to provide timber, not actually provide it. TLMP also says that the Tongass National Forest will provide timber based on its budget. Tongass is the worst National Forest in the country in meeting the projected targets in its budget.

Nichols reported that with the temporary restraining order on the Elk Point sale, the Wrangell mill is being deconstructed. There is only one mill of any size left in southeast Alaska. Sealaska will hit a wall in the amount they can harvest unless they get their legislation. There may not be people operating in Tongass in the future. The USFS mandate was to meet economic demand, but the demand has been decimated by litigation and USFS national interference. The loss of timber activity in southeast Alaska drives up costs of other services in communities. There will not be a timber industry in 2012 if something doesn't change.

Wolfe reported that all communities other than Juneau are declining in southeast Alaska. The timber industry is reaching the point of implosion. The Board can't do much other than report to the Governor. The State's willingness to intervene in litigation deserves applause. The Board needs to support the Governor in continuing to do so. The interagency approach that appeared to be working and has been snuffed out by federal action.

Maisch said that the Logjam project is a success. He doesn't expect it to be enjoined. However, the road ahead is not easy.

Nichols noted that every post-TLMP sale has been litigated. At what point can environmental groups on the Tongass Futures Roundtable say they support any level of timber industry. Clark said that at the last Roundtable meeting a resolution was brought forward saying that the Roundtable supports the Diesel timber sale. The Roundtable charter says it supports timber as part of southeast Alaska, but the Roundtable could not achieve consensus on the resolution. They did pass a resolution asking litigants to work among themselves to seek resolution of their issues.

Tongass Futures Roundtable (TFR) update. Maisch reported that the last TFR meeting was in Juneau a few weeks ago. Much of the agenda was work on First Nations issues in southeast Alaska. A well-attended, worthwhile special session led to some changes in the TFR charter recognizing principles and values of the southeast Native community.

Sealaska reported on their lands legislation, followed by a lengthy discussion. Several conservation groups sent a letter opposing the bill without prior notice to TFR.

The Roundtable is in turbulent times now. It is not clear how much longer it will continue. The group went backwards following discussion of Sealaska bill. People have slipped back to their old camps.

Clark noted that four members left the meeting, including The Nature Conservancy representative; the Conservancy is one of the TFR founders. The SE Conference and cities of Wrangell and Coffman Cove also left. At the request of TFR, the four members came back. Another member said that if Viking Lumber went under as a result of the Logjam litigation, he would leave and take as many members as possible with him.

Moselle noted that TFR recognized Brian Rogers with a nice bentwood box for his efforts as the first facilitator for the Roundtable.

Clark said that because of the ongoing litigation, USFS, State, and some environmental groups' participation in the conversation was stunted. The Tongass Conservation Society has filed legal action against USFS participation in TFR, alleging that it constitutes an advisory group. Therefore, the USFS only presented information in response to questions.

Bosworth noted that the environmental organizations are a diverse group – they are not just a bloc that all votes the same. Clark also noted that none of the TFR groups are involved in the Logjam litigation, and some chose not to sue because of their involvement in TFR.

Wolfe said that the letter from environmental organizations opposing Sealaska legislation is more egregious. The groups have been holding out for federal roadless legislation. They think that is preferable to consensus-building, and have been operating in a silent and underhanded manner.

Clark stated that the Logjam sale is important to Coffman Cove. The SE Island School District closed two schools last year, and is looking at closing four more because people are leaving for lack of employment. The new Coffman Cove school just opened last year and may not have enough students to remain open.

Moselle reported that two members who left the meeting stated that they left because some people present were not there in good faith.

Nichols asked how long state support for TFR will continue now that it is apparent that it is not working. Continued participation lends credibility to the idea that progress will come if we just wait longer. Nichols asked Maisch what he recommends. Maisch replied that he is not sure at this time. TFR may morph into a smaller group. Nichols said that southeast has lost another mill, and zero federal sales are projected this year. DOF needs to speak up at TFR without waiting for one more meeting and then one more after that. Maisch said that he doesn't see the Roundtable as hurting the state's ability to aggressively work to implement TLMP. Nichols asked whether people at the federal level think that as long as TFR exists things might get better? Maisch recognized that there have been some ideas put forth that haven't gotten traction. The Roundtable may cease meeting, but he doesn't know whether the state is ready to recommend that. TFR has facilitated relationships with parties the state hadn't been able to work with before. Maisch doesn't expect the full Roundtable to continue. Nichols is concerned that there are some political bodies expecting this to work, but in the meantime the industry has declined. Maisch replied that the same questions are being asked by the members and funders.

Nichols asked what happened to the Hemlock Society or proposals for any action. Maisch answered that the Hemlock Society proposal was presented two meetings ago, and there was no formal action by the full body. The Hemlock Society hasn't met since. TFR has chosen not to engage. The proposal included some controversial elements, but any solutions will be controversial. The other effort is to implement TLMP as adopted. Clarence has been working with the USFS, George Woodbury, and The Nature Conservancy. They are working on the TLMP five-year schedule of timber sales, and will bring a recommendation to the full TFR for the May meeting. Their direction is to stay in the "green areas" on which the Hemlock Society agreed. The TFR mariculture committee is proceeding, as is the restoration committee. The restoration group is working on behalf of the USFS to develop a proposal for how to proceed in the Staney Creek watershed, possibly including stewardship contracting. Stewardship contracting allows a contractor to work for a longer period on a variety of projects. Paul Slenkamp also presented the Mental Health Trust exchange proposal to the TFR. Slenkamp said there isn't a lot more progress on the exchange – the Trust is holding back while Sealaska bill is proceeding.

Nichols asked whether any active TLMP litigation remains. Maisch said that the Alaska Forest Association case may be open, but it rests on the same arguments as the SE Conference case in which the court upheld TLMP. Nichols asked whether TFR has ever officially endorsed TLMP. Maisch said that is has not formally done so; the five-year schedule process that is on the next agenda is a proxy for that. Nichols suggested that asking the question directly would ferret out who's really opposed. Maisch replied that the TFR operates by consensus. Nichols asked what TFR's goal is if they don't endorse TLMP. Maisch explained that the initial TFR goal was to bring parties that had been fighting to talk together face-to-face. It has done that, although some who aren't members continue to sue on various issues. Trying to resolve land conflicts along the lines of the Hemlock Society effort was a hope, but that may be proving to be impossible. Maisch hoped that external efforts opposing TLMP would decrease if TFR was successful. TFR took a step forward on Native issues at the last meeting, but took a step backward with the legislative discussions.

Moselle reported that he attended the Native role workshop prior to the last TFR meeting. He learned a lot, and it helped provide more information on Native issues that some members feel passionate about. TFR amended its charter recognizing and respecting cultural values of Native people as they relate to the Tongass. There are always controversial issues. People walked out, but everyone completed the session at the table. Mariculture committee work under leadership of John Sund is progressing, and could provide outdoor jobs suited to local citizens. Nichols said that it's insulting to decide what kind of job opportunities people should have. You shouldn't suggest that timber jobs could be traded for mariculture jobs – the market should decide that. Moselle noted that interest in jobs like the mariculture jobs had been raised by local people. Maisch commented that the TFR mission was broader than timber – it also looking at how to broaden economic opportunities in SE.

The next Roundtable meeting is scheduled for Kake on May 25. That will be an interesting location because of issues coming out of that area -- the Organized Village of Kake supports roadless status. Wolfe noted that people are leaving Kake, and the unit costs at the school are going up. It's frustrating. Nichols commented that the Organized Village of Kake doesn't represent all of Kake

Cronin asked for a list of the TFR members. Maisch said that there are 35 official members. He will get the TFR website link to Cronin.

Climate Change Subcabinet & carbon sequestration updates. Maisch reported that no cap and trade bill is getting any traction in Congress which limits the ability to sell carbon credits. Wolfe said that the international effort with Canada is continuing following submission of committee reports. The timber industry is split about who gets credit for sequestered carbon – some want it to go to landowners; one believes it should go to processors.

Public comment. Public comment on the landslide issues will be entertained during that agenda item. There was no other public comment.

Board of Forestry ethics, recusals, and quorum. Judy Bockmon is an assistant attorney general and the ethics attorney for the state Attorney General's Office, and Kevin Saxby is the assistant attorney general assigned to most forestry issues.

Bockmon noted that ethics and conflicts of interest mean different things to each person. The Executive Branch Ethics Act code of conduct (*see handout*) applies to state employees and board members. The state website has a longer interactive PowerPoint on this subject. The Ethics Act primarily addresses financial interests to oneself or others. Because the Board of Forestry is advisory, some rules may not apply since it doesn't award grants or adopt regulations.

Each person brings their own views to the job. The legislature understood that bringing different views is part of what is expected, especially with BOF members holding seats associated with different areas of expertise. The Ethics Act usually refers to “potential violations of the Act” -- the key decision is whether an action would violate the Ethics Act. Everything is circumstance specific – what action is contemplated, and what benefit could ensue? Participation in discussions or actions relevant to your group does not necessarily create a conflict. The more closely or directly a matter may affect individual interest, rather than the general interests of the class you represent, there could be a concern. A member should consider whether something you vote on would substantially benefit you monetarily? Circumstances suggesting the appearance of impropriety alone does not result in a violation under the Ethics Act; we would determine whether a substantial, material benefit is actually likely to occur. There may be an appearance of impropriety if you advocate for forestry interests, but that is what was intended when the Board was established.

The Board chair is the BOF ethics supervisor. The chair makes determinations regarding conflicts of interest. The Act tries to allow work to go forward, after potential conflicts are publicly disclosed. The chair makes a determination after a disclosure. If another member of the Board objects, then the entire Board votes (except for the disclosing member), and that vote determines whether the member can participate. If you fully disclose your interest and the disclosure procedures are followed, you are protected from being charged with a violation. If you know something is coming up before the Board, you may address it with the chair in advance, and the chair can consult the ethics attorney, if necessary. If you are uncertain, you are encouraged to disclose. Members are sometimes uncomfortable with participating even if the chair rules in their favor. Bockmon encouraged Board members to follow their gut if they still believe they may have a conflict, but that advice was qualified by the discussion about quorum below.

Freeman reviewed a question from the previous Board meeting. Under AS 41.17.041, seven of the eight voting members of the Board of Forestry constitute a quorum. The Attorney General’s Office (AGO) responded that if two or more Board members recuse themselves, then the Board does not have a quorum. This could also occur if one member is absent, or a seat is vacant, and one member elects recusal.

Bockmon explained that the Ethics Act tries to protect the integrity of the Board’s action. A situation where someone recuses themselves rather than seeking a determination could raise problems with the quorum. It is better to disclose a potential conflict, have the chair rule, and then go forward. Freeman noted that the AGO’s response to the prior question noted that a Board member can neither take nor withhold action that would lead to personal or financial benefit. In the case of the Board, two members recusing themselves could preclude action by the Board, which is effectively a veto of any Board proposal. That potentially violates the prohibition against withholding action that benefits one or more members. Therefore, the AGO recommended that when conflicts occur on matters before the Board of Forestry, members are encouraged to disclose any potential conflicts and have the chair rule.

Bockmon emphasized that disclosures of conflicts of interest are specific to particular actions at board meetings; it is not a general annual disclosure. Saxby noted that there is an annual financial disclosure form that some state officers must file. But the annual disclosure is different from conflict of interest disclosures under the Ethics Act – annual disclosures are not required for Board of Forestry members.

Nichols said that he is the forest industry trade association representative on the Board, which has potential for conflicts. Is there a difference between an individual and a company for which that person may work? Bockmon said that for purposes of the Ethics Act, your interests include your own interests and those of your immediate family members. You are considered to have a financial interest in your employer, but the review would look at how a matter would affect the company and you personally. If an

action would benefit your employer in a way that could trickle down and benefit you or a relative, the chair or AGO would have to assess that. Bockmon didn't know whether such actions would happen with the BOF. It would be good to disclose if actions would affect your employees. Saxby said the Ethics Act wouldn't require recusal if an action would also benefit others in the same industry, and you are there by law to represent that industry.

Saxby presented a hypothetical example: Suppose the professional forester seat happened to be the only horse logger in Alaska and the Board was going to vote on a proposal for BMPs requiring horse logging in the interior and the forester on the Board was the only one qualified to fit the requirements. Although this would still be an advisory vote, it's an extreme case. Bockmon agreed that you would be advised to recuse yourself in that situation, because there are clear links. If it would affect 100 other horse loggers and would have a small dollar value to you, you would still need to disclose, but the chair could decide it wouldn't be a significant benefit to the member. There's a continuum, and you have to look at the specifics of how many people are affected and how much material value would accrue to the member. The closer you get to a significant individual benefit, the more serious the concern. Saxby noted that the timber industry is small in Alaska, so there are cases when only two or three businesses could be affected. He believes the legislature knew that when they set up the Board. The question is what the impact is on the individual personally, not the benefit to the class as a whole.

Nichols commented that the industry is dwindling, which increases the potential of direct benefits. Wolfe agreed that this situation is real. If the Board were to take an action on the Southern Southeast Five-Year Schedule of Timber Sales, the company Nichols owns would be one potential bidder, and a Sealaska subsidiary could possibly be the only other bidder, but if they both have a conflict, there's no option to take an action because there is no quorum. He noted that the BOF doesn't usually take those kinds of actions. Bockmon said she would ask whether the trail from a Board action to a benefit would be short and direct, or are there many steps and uncertainties before a benefit might occur. With an advisory board, there are usually too many other actions by other people that would have to occur in order for a benefit to accrue. The disclosure is important so the chair can evaluate the situation. Saxby said that under Wolfe's scenario, the action could benefit his competitor as much as him, and that would also be taken into account.

Vinsel said that he is uncomfortable that a recusal robs a Board member of the opportunity to deliberate. Bockmon recognized that concern, especially where members are seated to bring different points of view to the discussion. But a recent amendment to the definition of the term "official action" by the legislature makes it clear that it includes deliberation as well as a voting.

Vinsel asked what the definition is for "immediate family members". Bockmon answered that immediate family members include a spouse, children, siblings, parents, grandparents, aunts & uncles, and siblings of the spouse.

New Business I

2009 Compliance monitoring report. Joel Nudelman, DOF, reviewed the 2009 compliance monitoring results. (*see handout with March 1, 2010 data*) DOF has done compliance monitoring for seven seasons in regions I and II and six seasons in Region III. Monitoring covers all land ownerships. DOF still does inspection reports, but they are supplemented with quantified compliance monitoring score sheets. The Division has a field book to keep raters consistent across regions. DOF uses a 5-point rating system to score BMP compliance, with 5 being fully implemented.

Overall scores for regions I and II continued to be high. Region III had a decrease in implementation scores. The handout shows the 2009 ratings and comparison of annual ratings since 2003 for each region. Monitoring rated 49 BMPs for Region I, and 46 for regions II and III.

In Region I the average rating for the last seven years was 4.8. The number of BMPs rated decreased. Approximately 91.5% of the BMPs rated ≥ 4 . Only four rated < 4 – one culvert BMP and three for inactive road maintenance rated 3.5 to 3.8. The compliance monitoring scores help focus the Division's BMP training for operators. Some of the low ratings were caused by a change in operator on state sales in the Southern Southeast Area, and on Afognak where grading got behind logging in the fall rainy season. These problems have since been remedied. There were 52 inspections on state land and 29 on private land, a decrease from last year.

Bosworth asked whether DOF is reporting a sample or all inspections. Nudelman replied that DOF's goal is to do compliance monitoring on 100% of FRPA inspections for all owners, although the Division didn't hit that goal in all areas this year.

Region II scores averaged 4.9 for the last two years. Approximately 99% of all BMPs rated out at ≥ 4 ; only one BMP rated < 4 . In 2008, the lowest scores were for culverts and they improved this year; drainage BMP scores also improved. There were no deficiencies in Region II. Inspections increased on state land; private/borough land inspections declined. Score sheets were completed on all FRPA inspections.

In Region III the average score for 2009 was 4.0, lower than in recent years. Only 70% of the BMPs had average scores of 4 or greater, which was also lower than prior years. Problem areas were drainage structure installation and maintenance on active and inactive roads. Road maintenance funding has been an issue where roads are getting public use during periods without active timber sales to pay for maintenance. Personal use firewood harvesters have also caused problems. DOF has not observed water quality impacts to date, but rutting exists. The number of score sheets was high, and the number of inspections increased on state land. There were no private land inspections, compared to two in 2008. Score sheets were completed on 90% of the inspections, down from 100% last year.

Bosworth asked what DOF does when it finds a perched culvert. Does the operator fix it right away? Nudelman replied that if it occurs on an anadromous fish stream, the landowner is required to provide fish passage. The agencies use the catalog of anadromous waters as a guide, but it's not fully up to date. If there are questions on whether the stream is anadromous, they are raised at time the DPO is reviewed. Wolfe emphasized that anadromous waters under FRPA go beyond catalogued streams. Bosworth commented that that is a good way to improve the catalog. Timothy said she will provide an example of that process. New streams are submitted to the catalog.

Nichols asked Nudelman whether FRPA adequately protects resources other than timber. Nudelman stated that he believes it does. There's a good on-the-ground presence by DOF and ADF&G. Maisch noted that there was initial resistance to compliance monitoring within DOF in Region III, but after training and supervision, monitoring is now been embraced.

Wolfe thanked Nudelman and DOF for a good report. This is absolutely necessary information to provide to the public on how the Act is working. Vinsel commended the improvement in Region II, and drew concern to Region III backsliding – these are areas where lack of fish is a concern. There's a lot of hardship in the Yukon. Nudelman responded that the Regional Foresters and FRPA foresters in Region III are aware of the problems and will focus on operator training this year to ensure they are improved.

Effectiveness monitoring overview. Rogers reported that for FY10, forestry-related ACWA grants were issued to

- Sealaska (\$24,400) for continued sampling and analysis in the Status and Trends of Habitat Conditions study in SE Alaska. This is the longest running study of FRPA effectiveness in the state.
- The Aquatic Restoration and Research Institute (\$34,600) to continue baseline water quality sampling in the Mat-Su valley. The 2009 project started monitoring wetland streams, including Chijuk, Whiskers, and Wiggle creeks. All are in the Mat-Su Borough or state five-year schedules of timber sales for future harvesting.
- Cook Inlet Keeper also received funding for continued stream temperature monitoring in the Cook Inlet Watershed. Stream temperatures have exceeded water quality standards at multiple sites in recent years. The Cook Inlet Stream Temperature Monitoring Network is set up to document temperatures and examine causes, including climatic and human-caused changes.

DOF convened the annual effectiveness monitoring working group meeting in December 2009 to discuss FY11 priorities and funding. The DOF report to the Board (*see handout*) summarizes the group's consensus on FY11 priorities. Staff participated from the DNR divisions of Forestry and Coastal and Oceans Management, the ADF&G divisions of Habitat, Sport Fish, and Commercial Fisheries, DEC, Alaska Department of Commerce, Community, and Economic Development, USFS Tongass National Forest, University of Alaska Fairbanks, United Fishermen of Alaska, Sealaska, Aquatic Research and Restoration, Inc, Martin Environmental, and Cook Inlet Keeper.

Overall, the working group supported continuation of the core effectiveness monitoring projects, particularly road condition surveys and the fish habitat trends and conditions study. The group also supports collection of baseline data on water quality focused on sites where timber harvesting is likely to occur in the near term. Cook Inlet stream temperature work was already funded for FY11. Decisions for FY11 scheduled for April 1, 2010.

Sealaska trends and conditions study. Doug Martin, principal investigator for the Trends and Conditions of Fish Habitat study, reviewed the study area and results. There are 22 study sites in 18 basins, mostly in the Hoonah and Prince of Wales Island areas. The study includes a post-harvest only data group, and a group with pre- and post-harvest data. Some sites have only pre-harvest data, at this point, and two sites were harvested by helicopter. To minimize costs, a smaller "pulse" of sites has been studied in between years with data collection on all sites. The proposal for 2010 is to re-sample all sites. The study assesses wood, pools, and sediment in streams.

Background levels of wood recruitment are about 0-3 trees per 100 meters. Following harvest, wood recruitment bumps up, on some sites the increase lasts as long as 5-10 years post-harvest. Martin recorded a pulse in one stream for 12 years post-harvest, possibly due to a local storm.

Windthrow in buffers significantly increases following logging, but mortality is less than 20% in most buffer strips. There is variation among streams in the amount of mortality on both logged and unlogged streams. Only 11% of the harvested sites are outside the range of natural background mortality. On average, wood recruitment into streams increases following logging.

Wood in streams often creates pools. The study found no change in pool frequency on some streams, increases on some, and decreases on some. Trends over multiple years are important – there is some variation year-to-year in unharvested/helicopter harvested streams, and in pre- and post-harvest groups, but only a few years of data are available post-harvest at this time. In the post-harvest group there is 12-16 years of data, and on most streams there has been some increase in pool frequency.

Nichols asked whether the harvested streams similar to the unharvested streams. Martin replied that all are similar unconfined stream types.

The results for substrate size are mixed. The data is confusing – there is no consistent response. Substrate size has gone down in some streams, but not all. Streams respond to storm events, and some channels move, which affect results. Beavers also build dams. Data are taken in the same spot, but the stream channel may not be in the same spot. Sample sites were originally established in riffles. Beaver dams mess up the study, but create good juvenile coho habitat.

A 50-year storm event occurred in 1991, prior to the monitoring study. The next big event didn't occur for about 15 years. It is hard to tease out which impacts are from storm events vs. logging.

Martin noted that required buffers are a minimum of 66', but actual widths may be much wider where there is low-value timber.

Martin also reported on a review of buffers on Sealaska land. He used detailed photos to review 940 out of 1290 km of streams on Sealaska land. On that area, 22% of the riparian area was buffered, 25% was clearcut either due to pre-FRPA harvest or absence of anadromous fish, and 53% was forested (i.e., it had more than 300' of continuous trees).

Martin also led a study that reviewed 140,000 of 201,000 acres of Sealaska land for recent mass wasting. There were 61 landslides; of these, 52% don't hit streams; 48% do. Forty-nine percent of the slides started in a clearcut and 23% on a road; 13% were in areas harvested by helicopter, 3% in buffers, and 11% were in forested areas. Of the 29 slides that hit a stream, most (18) stopped at least 500 meters from an anadromous channel; four went into an anadromous channel. Slides carry wood and gravel to streams, which can be beneficial or harmful depending on amount. Martin also used several sets of photography from 1960-97 to look at slides in nine of the study sites from the Trends and Conditions study. Few slides reached anadromous fish habitat. Their effects on fish habitat are unknown. He wants to study the nine watersheds that were added since the slide study was done.

Sealaska and Martin propose to monitor all 22 sites in the Trends and Conditions study this year, then take all the data from prior years and assess how effective FRPA rules are in maintaining habitat. The final report would be available at this time next year. The report would recommend whether additional data should be collected, and if so, when and where. Martin also recommends a watershed-scale cumulative effects study using Lee Benda's NetMap technology. He would like to use this approach in Alaska, but it depends on better digital elevation models than are currently available for Tongass.

Nichols noted that we clearly get blowdown in buffers, but asked whether it is good or bad. Martin answered that it has been good so far. Some streams have little wood recruitment, and without disturbance there wouldn't be much recruitment. There are lots of bugs associated with epifauna on wood in streams. Some sediment comes into the stream with root wads, but the amount is small compared to background levels.

Cronin asked whether Martin has a way to monitor salmon recruitment in the harvested streams. Martin said no, it's expensive. The USFS is doing that on a set of resident and anadromous streams in relation to Tongass logging rules in the Petersburg district, but they have not yet analyzed the data.

Bosworth asked whether Martin has looked at wildlife corridors in riparian areas. Martin replied that there is a Washington state study on use of buffers under their older buffer rules in the 1990s, including amphibians, bats, shrews, and other species, but it is not part of the Trends and Conditions study in Alaska.

Wolfe reported that Mark Wipfli studied the influence of red alder in riparian habitat. It was so important that Wolfe revised a harvest prescription to protect red alder. Martin added that alder leaf litter important for providing food for bugs. A mix of alders for food and conifers for big trees is probably a good combination – it's not all or nothing. Bosworth said that the conventional wisdom is that alder decays or washes downstream so fast that it doesn't have much value for wood in streams. The idea of a mix of species challenges the conventional wisdom. Martin replied that spatially explicit riparian prescriptions are where riparian management is heading. Prescription would be based on site-specific stream and forest conditions. Administering that type of rule is difficult, but California is going to visit that concept. Martin and three other scientists did a major literature review for California last year that concluded that site-specific recommendations would be optimum both ecologically and economically. As a result, California modified their rules – they added an option for site-based management to the standard rules, with a plan to revisit the results in several years. Nicolls commented that it goes back to old USFS system where prescriptions varied by stream type. Martin observed that it's more feasible for an operator to get GIS data for specific sites now.

Nichols stated that in Oregon an average width buffer was required along a stream reach, but owners were allowed to vary the width within the reach. What are the benefits of opening up sites in AK to more sunlight? Martin said that in most places from northern California north, more sunlight increases fish productivity. Moselle noted that removing canopy would also change transpiration and stream flow characteristics – streams become flashier. Martin said that variable prescriptions are looking at more characteristics than just buffer width.

Wolfe asked to comment on FRPA relative to water quality and fish habitat based on the studies since 1992. Martin said that stream temperature hasn't been an issue in southeast Alaska as far as known. For fish habitat, FRPA allows windthrow to occur and increase wood recruitment which is a positive so far. He hasn't seen detrimental impacts, e.g., massive bank erosion or big increases in fine sediment. Remember that the 66' buffer is actually wider in many areas due to local forests and topography. FRPA is working so far and we have 18 years of post-harvest data on some streams.

Annual agency reports on FRPA. DNR. Rick Rogers, DOF, reported that overall the Division believes that FRPA continues to be effective in protecting fish habitat and water quality while allowing for a timber industry. DOF is seeing less demand for FRPA activities on private land, and more on state land; that shifts FRPA efforts from southeast to southcentral and interior Alaska. There was some reduction in variation requests this year; these requests vary year to year.

There was one self-reported violation for cutting two trees in a riparian buffer on Afognak. The investigative report has been prepared, and it's in the enforcement process now.

There are some continuing challenges on reforestation on Afognak and the Kenai Peninsula. DOF works with landowners to rectify problems, and there has been progress in all areas. Leisnoi made progress by planting over 230 acres, but had a setback when 200 acres of seedlings were lost due to rabbit browse.

For the state timber sale program, DOF sells everything it offers in Southern Southeast Area; elsewhere supply exceeds demand. Demand for wood energy is increasing, and a new pellet mill is under construction in Fairbanks. The Alaska Energy Authority put \$13 million into wood energy projects, including projects in Tok, Fort Yukon, Delta, Haines, Craig. Many projects will rely on state land for the wood resource. Personal use permits for firewood have quadrupled in nine years.

DOF has submitted a capital fund request to provide needed inventory information for the Tok, Glennallen, MatSu, and Haines areas.

DOF expects some increase in FRPA activity in southeast Alaska on Sealaska and Haida Corporation land; 2010 activity will probably stay level on state land.

Section 319 funding will remain level in FY11 at \$115,000, but that might disappear entirely for FY12. DOF will continue to assess workload trends before putting the FY12 budget request together next fall. Charts and tables in the DOF report show trends since FRPA since 1991.

Vinsel asked about the capital budget hearing with the Senate Finance Committee. Rogers reported that it was a high-level look at all capital project requests. DOF is a small part of DNR's CIP request. There were some questions on the inventory request, because of the past Tanana Valley inventory capital funding. DOF will get more information back to the committee. The state manages about 20 million acres of timberlands, and the Tanana inventory covered less than 2 million acres. DOF is now progressing to inventory the next highest priority areas.

Wolfe asked about the road condition survey result period. Nudelman said the survey began in 2004. Rogers added that DOF hopes to expand the survey to other areas.

DEC. Kevin Hanley noted that he is the sole DEC representative for FRPA activity. He reviewed all DPOs, DOF Forest Land Use Plans, and federal NEPA documents received in 2009. He also participated in inspections on Afognak Island, and in USFS monitoring on the Wrangell ranger district. DEC supported the Sealaska and Aquatic Restoration and Research Institute projects through Alaska Clean Water Actions grants. DEC wants to bring those two projects to conclusion in FY11. DEC continues to believe that when properly implemented, the FRPA standards, and on federal land the TLMP standards and guidelines, provide adequate protection for water quality and fish habitat.

Slenkamp asked whether the USFS criteria maintain cleaner water than FRPA. Hanley said that there are no exceedences on USFS lands other than culvert issues. The FRPA and federal systems are equally effective.

Wolfe stated that Trends and Conditions study is at a milestone if it is funded this year, and he would like it to continue. Hanley explained that DEC has different priorities that they would like to address in the future, and therefore would like to bring the FRPA projects to conclusion. However, the grant program is an interagency process and there is a competitive process for selecting grants.

ADF&G. Kyle Moselle reported that the Habitat Division used ACWA grants and General Fund matching money to attend training, issue permits, review documents, and spend time in the field to focus on impact prevention. Moselle also coordinated ADF&G input to the state Tongass Team on TLMP implementation. On private and municipal land, the Habitat Division assesses road alignments, buffers, and BMPs under AS 41 and AS 16. They also reviewed variation requests, issued permits that provide passage and protect anadromous fish habitat, and documented high value resident fish habitat. High value resident streams information is included in trip reports, not in the Catalog of Anadromous Waters.

On federal lands, Habitat reviewed NEPA documents and ACMP certifications for compliance with FRPA. They issued USFS concurrences for proposed in-stream activities under the USFS-ADF&G Memorandum of Understanding (MOU). Jackie Timothy explained that in the past there was a disagreement over who had authority over anadromous streams on federal lands. Under the MOU, the agencies have agreed that the USFS submits information to ADF&G who then reviews the information and the agencies work together in the field.

Moselle added that the Habitat Division nominated new fish habitat to anadromous waters catalog and recorded high value resident fish habitat.

ADF&G funded the road condition survey through the Southeast Sustainable Salmon Fund program. ADF&G participated in planning and implementation of the road condition survey in Hoonah, at Natzuhini and Black Bear Lake on Prince of Wales Island, and in the Haines State Forest. In most cases, fish were passing through structures installed under FRPA.

Moselle also participated on the Landslide Science and Technical Committee. Kristin Dunlap completed her thesis on impacts of explosives to remove blockages to fish passage. ADF&G is working on blasting standards revisions as a result of her research.

In 2009, the Habitat Division had 13 new hires, eight promotions, four transfers, one retirement, and four people who left the department.

ADF&G considers FRPA an effective mechanism to protect fish habitat during forestry activities.

Timothy reported that there was a domino effect in filling positions that changed after Habitat's return to ADF&G. Some vacancies were filled with promotions, and then lower positions had to be refilled. Habitat is trying to fill all vacancies prior to the classification study. Rogers noted that one habitat biologist and a technician went from DOF to Habitat.

Old Business II

DOF Regional updates. Mark Eliot, DOF Northern Region Forester, reported that the Delta and Fairbanks area Five-year Schedules of Timber Sales are out for agency review and posted on DOF website. The Fairbanks timber sale auction will be in late April to early May. DOF is wrapping up a timber and biomass inventory for the Copper River basin – a draft is out, and DOF shared it with the Alaska Energy Authority. The Division received a DPO from Northland Wood for harvesting on Togotthele land near Nenana. The DPO covers 2.7 MMBF on 160 acres. There is currently one vacancy in the Northern Region Office. The Northern Region will work to address compliance issues highlighted in monitoring report. Maisch noted that the Northern region offered 26 MMBF of the 33 MMBF of timber available from the state in FY09.

Cronin asked whether there was any interest from Northern Hardwoods with respect to the inventory. Maisch said that DOF has had no contact from them since the downturn in the economy in the Lower 48. Eliot noted that the DOF website is getting more information from the inventory publicly available. Maisch said that's a new tool that is now readily available.

Eliot added that on March 1-4, 2010, DOF held the first joint fire-resources meeting. The Division has a lot of interrelated issues, including hazardous fuel management and biomass energy.

Clarence Clark reported for the Coastal Region. He said that the Southern Southeast Area sells every sale it offers. The Haines Area sells a mix of firewood and timber. Maisch noted that one of the biomass projects under study is for a chip-based system for the Haines School. Other area offices are primarily issuing commercial firewood sales and permits. DOF plans to fill the FRPA forester vacancy in Ketchikan.

Nichols asked what sales the state will offer if the Tongass National Forest doesn't put up any sales this year. Clark replied that DOF has sold 5.5 MMBF out of its 8.4 MMBF annual allowable cut so far this fiscal year. More has gone through process and is ready for sale to meet the allowable cut cap, and more

is in preparation. The Southern Southeast Area will be able to offer sales up to the allowable cut level. There could be variation year to year, but the average should be 8.4 MMBF.

Wolfe asked whether there are statistics for Southern Southeast on the amount of young-growth vs. old growth on state land. Clark has that info, and will provide it to Board.

Clark and Maisch reported that the Wrangell Borough has requested a significant increase in their entitlement for about 6,500 acres above the calculation under the old formula. That will have some impact on land proposed for the Southeast State Forest and would further decrease the Southern Southeast allowable cut by about 1 MMBF. The State Forest bill grandfathers in the Wrangell selections because the borough had already formed prior to development of the legislation. The Division of Land and Water did commit to a review of other General Use land where forestry is not currently allowed to see if additional land can be identified for forestry.

Cronin asked how flexible land classifications are. Maisch replied that General Use land classifications are quite flexible. The lead land manager for these lands is the Division of Mining, Land, and Water. Cronin asked whether under the state planning process there would be changes in designations to reflect the TLMP old growth reserve designations. Freeman said that the biggest competitor for forestry on state land in southeast is the land disposal program, and DNR is still under legislative pressure to sell land. Park designations in southeast reflect the initial selection requirements to select for community purposes, which were defined as land sales and public recreation. Clark noted that some state land was designated undeveloped for habitat concerns, and those designations did occur prior to the current TLMP old growth reserve system.

Adjourn day 1 -- 5:10 p.m.

Thursday, March 18, 2010

Convened, 8:32 a.m.

Wood energy update. Mark Eliot, DOF, reported on developments in the interior.

- The Superior Pellets mill is in construction. They are waiting for 3-phase power, and acquiring a biomass supply. Superior Pellets is working with Northland Wood to acquire their sawdust pile, and with a logger.
- Bernie Karl from the Chena Hot Springs development is working with DOF and the Alaska Energy Authority (AEA) on processing wood for energy. Karl is a proponent of growing and harvesting willow for energy.
- The Tok School wood energy project is moving forward -- construction will start in the spring. Tok DOF is working on getting the fuel supply, and measuring and weighing biomass from harvest plots.
- The Delta school search for chip heat has slowed because they only received partial funding from AEA. They are working with AEA to figure out how to proceed.
- Alaska Power & Telephone (APT) in Tok has a proposal to change their power supply from diesel to woody biomass. DOF is discussing supply issues and considering long-term contracts. APT is interested in using waste heat from electrical generation to heat their facility.
- Tok DOF applied for an AEA grant to heat their administrative building with wood. They already use a wood pellet stove to heat the training room.
- A rural energy conference is scheduled for April 27-29 in Fairbanks.

Cronin asked how pellets compare to cordwood for air quality problems. Eliot answered that pellets are a great improvement in the Interior. Many people burn green cord wood in Fairbanks which causes smoke problems and exceedences of particulate standards. Pellets burn hotter and cleaner.

Bosworth asked how demand for pellets is being determined. Eliot said he didn't know whether anyone has done studies. He said that Bob Supernaw sells pellet stoves and has created demand through his sales. He imports pellets from BC and sells at cost to purchasers. More distributors are now selling pellet stoves and adaptors for wood stoves in Fairbanks. Lowe's, Home Depot, Wal-Mart, and another individual all sell pellets imported from Canada or the Lower 48. Dry Creek is supplying pellets to the Tok DOF office. They are a good quality supplier. Maisch added that Superior Pellets originally looked for a large anchor client. They didn't get a contract signed, but they built their facility anyway.

Wolfe reported that Sealaska is converting the Sealaska Plaza building in Juneau to wood pellets. Supply can come from thinning, wood residue, and improved log utilization from harvest areas. A supply of residue from other wood processors is important to keeping wood biomass cost low. Wood is about 50% water. Viking produces enough waste to supply a 10-25,000 ton pellet mill. 15,000 tons equals a full-time modern pellet press, the minimum for an efficient operation. There are 270,000 acres on the Tongass National Forest that could be thinned to provide additional supply, but it would be high cost material. Pre-commercial thinning is unlikely to be a commercial supply; commercial thinning is uncertain. Nichols asked whether there is any cost study of the supply from thinning. Thinning becomes more expensive as the USFS removes roads, too. Wolfe said there is no cost study, and he agreed with the concerns on cost. It's also important to evaluate impacts on soil productivity. The limiting nutrients for tree growth are in the tree crown, not in the trunk, and there may be a nutrient issue if crown material is removed for biomass. Approximately 543,000 acres of young growth in southeast Alaska could be the potential land base for young growth management across all ownerships. A Sealaska consultant estimates a southeast Alaska demand for approximately 190 tons of pellets/year, and a statewide demand for 2,358 tons.

Sealaska concluded that raw material is not the problem, the technology exists, and there is a shipping advantage for locally-produced pellets in southeast Alaska, but a pellet supply demand but local pellets are not likely to compete with other supplies in the rest of Alaska. Sealaska decided that demand is the problem in southeast Alaska. They analyzed demand using electricity demand as a surrogate. They reviewed public facility buildings within 1000' of each other in 12 power districts in southeast. Not all electricity goes to heat, and in southeast it makes more sense to generate electricity for non-heating use from hydropower. Vinsel said that there was an assessment of energy options for the state. Wolfe said that the assessment is very general. Woodbury suggested that Sealaska could look at villages that operate on diesel, such as Kake. In Wrangell, hydropower cost is so low that wood couldn't compete even for heat. McLarnon suggested that Sealaska could get a rough estimate of the need for diesel fuel from the square footage of buildings.

Wolfe explained that Sealaska's strategy is to create southeast Alaska demand for pellets in large facilities and residences beginning with Sealaska Plaza. This is a visible building in downtown Juneau. They are also talking with the US Coast Guard about converting some of their buildings, and with the Mental Health Trust about their building. Nobody wants to be first.

Nichols asked what happens to the biomass supply if the Tongass National Forest doesn't harvest any timber. Wolfe replied that Sealaska decided to focus on demand issue, and hopes to eventually have a southeast pellet supply. In the near-term, the supply would be from Canada or the Lower 48. Southeast conditions require a dry, covered storage area for pellets. Sealaska purchased a PYROT boiler with a proven record. They also have concepts for village systems, e.g., for heat and electricity for the Point Sophia tourist facility.

HB 162 – Southeast State Forest. Maisch handed out contact names for the Senate Resources Committee. The Southeast State Forest bill is held in that committee at present. He encouraged Board members to visit with committee legislators if possible.

State forestry and land planning update. Jim Schwarber, DOF planner, reported on training with the State Historic Preservation Office (SHPO) on use of their Alaska Heritage Resources Survey system for advance timber sale planning. SHPO recently released a proposal for new and revised regulations that have significant problems for timber sales. DOF is working with the DNR Commissioner's Office on concerns, especially the proposed permit requirement for state projects. There is an exemption for a modified review process under an adopted agreement. DOF is trying to make sure that if this regulation is adopted, DOF qualifies for an exemption.

DOF is working with the Attorney General's Office to draft burn permit regulation revisions. The Division is not yet to the review process stage.

The DNR Division of Mining, Land, and Water (DMLW) is revising the main portion of Susitna Area Plan to the Susitna-Matanuska Area Plan (SMAP). DMLW released the public review draft February 23, and the comment period closes May 5. The draft includes primary forest designations for about 700,000 acres and calls for a new forest management plan for that area. The draft also recommends consideration of legislative designation of a Susitna State Forest. Public meetings on SMAP will be held March 18-31 in the Mat-Su Valley and Anchorage. When the area plan is adopted, DOF will work with DMLW on a forest management plan. The Susitna Forestry Guidelines revision was put on hold based on the SMAP's call for a new forest management plan. There were no objections from public for that choice. DOF will work with the entities from the Susitna Forestry Guidelines advisory committee on the new process.

The Matanuska-Susitna Borough recently released its forest management plan public review draft in December 2009. The comment period closed March 16, 2010. The plan covers 140,000 acres of Borough land.

The DOF Mat-Su Area Office held its second annual trail users meeting in the fall of 2009 to help avoid surprises and minimize trail conflicts among users sharing state lands.

The USFS released a scoping call for revision of their planning regulations. DOF provided substantial comments.

DOF provided comments on the Cook Inlet beluga whale critical habitat regulations. The Division's comments included information on the FRPA Region II riparian standards.

The Eastern Tanana Area Plan and Yukon-Tanana Area Plan projects did scoping work in 2009. Those projects are moving slowly due to staff turnover. DOF is making sure forestry interests are accommodated in land use designations.

Tok Area management planning underway. DOF has mapped existing forest roads and trails on GPS. Schwarber is coordinating a meeting between DNR land sales staff and the Tok Area forestry office to discuss mutual interests with respect to classifications, fuel reduction, and fire protection.

Schwarber co-chairs the Alaska Northern Forest Cooperative (ANFC), which is planning for a joint Society of American Foresters-ANFC meeting in Anchorage April 29-May 1, 2010.

Wolfe emphasized that the planning function for the state is important. DOF has to show up and be represented.

Statewide Assessment and Strategy for cooperative forestry programs. Jeff Graham, DOF Stewardship Program Coordinator, reviewed the status of the Statewide Assessment for Alaska. DOF gets about \$2 million from the USFS State and Private Forestry program annually. Under the federal Farm Bill, each state must analyze forest conditions and trends, and threats on all ownerships, identify forest benefits and services, and delineate rural and urban forested priority landscapes. The national themes for the Assessment are:

- Conserve working forest lands
- Protect forests from harm
- Enhance public benefits from trees and forests, including water quality, fish and wildlife habitat, forest resource markets, urban and community forests, air quality and carbon emissions, and community wildfire protection plans (CWPPs).

The assessment must be developed with stakeholder and public involvement, including the Forest Stewardship Committee, Urban and Community Forest Council, NRCS State Technical Committee, and Board of Forestry. Completed Assessments and Implementation Strategies are due June 18, 2010. Alaska is on track; some states are done and some are behind. Assessments are needed to compete for S&PF funds. Currently 15% of S&PF funds are allocated competitively, that proportion could increase to as much as 65% in coming year. Assessments must identify “priority landscapes” over all ownerships.

DOF contracted with Northern Economics to conduct Phase 1 of the Assessment. Northern Economics interviewed 34 stakeholders, including seven interviews with local governments, 11 with state agencies, 10 with federal agencies, and six with Alaska Native groups. They also identified 11 issue categories, compiled 140 ArcGIS datasets, wrote a narrative of issues, trends, conditions, and offered a preliminary prioritization. DOF combined the 11 issues into six categories as follows.

Issue 1: Wildfire

- Longer fire season and increased fire intensity resulting from climate change, “Mega Fires”.
- Expansion of the Wildland Urban Interface brings challenges for fire management.
- Difficult fuel types resulting from the spruce bark beetle epidemic.

Issue 2: Forest Products

- Declining timber supply and loss of industrial capacity and infrastructure to conserve working forest in SE Alaska.
- Barriers to effective management of second growth forest.
- Development of biomass energy facilities in rural Alaska.
- Need for dependable and sustainable timber supply to industry.
- Lack of infrastructure constraining opportunities for public benefits.
- High costs of production and barriers to market entry.

Issue 3: Community Benefits from Forests and Trees

- Need for urban and community forest management plans.
- Land transfers, forest conversion, and demographic changes.
- Increasing demands for firewood for home heating.

Issue 4: Forest Health

- Providing effective early detection and response to invasive forest pests.
- Mitigating impacts of damaging pest species.
- Adapting management to changing climate with uncertain and varying scenarios.

Issue 5: Ecosystem Services

- Maintain BMPs on all ownerships through administration of FRPA
- Barriers to cost effective habitat management for subsistence.
- Recreation, tourism, fish and wildlife, water quality.

Issue 6: Cross Cutting Issues

- Maintaining and increasing public support for forest management (social license).
- Need for better data and information.
- Maintaining management capacity for fire and resource.
- Unique Alaska challenges such as rural training and assistance, fire suppression, vast and dynamic landscapes, access limitations.

A draft 84-page Alaska Forest Resource Assessment is complete, including draft maps showing key areas for the wildfire, forest products, community benefits, and forest health issues. These layers have been combined to produce a draft map of overall priority areas across Alaska. The Alaska draft follows the structure of the Texas assessment model. A big part of Alaska is a priority – 111 million acres. That is where DOF must focus expenditure of federal money. The USFS doesn't want more than about 30% of a state to be covered in the priority area. Alaska is trying to be inclusive at this point.

Vinsel said that he would add coverage for fish resources that are protected by FRPA to the community layer, as they are important to communities. Rogers commented that the Ecosystem Services issues section includes fish, and those resources are almost everywhere, so they didn't help identify priority areas for deploying USFS funds. Vinsel emphasized that it's critical to bring the importance of those resources to Washington, D.C. Rogers suggested that DOF might include a map of fish streams to show that.

Bosworth asked how DOF is handling climate and carbon sequestration issues. Graham said that the major climate change impact for forestry is on fire, and the fire map includes fire protection levels down to the Modified level. Graham said that carbon sequestration is covered as an issue, but it isn't mapped. Bosworth stated that there are interesting questions about the relation between carbon and various management prescriptions. Nobody is really doing work in that area. He asked whether the assessment is a tool that could evolve. Graham affirmed that, and said it is to be updated in five years.

The Statewide Forest Resource Strategy to address the issues in the Assessment will be organized around the six issues. The Strategy includes goals (20) and specific strategies (64) to address each issue. Each specific strategy is linked in a matrix to one or more Division or State and Private Forestry programs, the national themes, and partner organizations.

Wolfe complimented Graham. He recounted that Sealaska has worked with the state Stewardship program and it's a good program. He suggested that this assessment is primarily for the part of Alaska west of the 140th meridian. He would like a copy of the assessment. He noted that he can be reached by phone and e-mail for input to the assessment and strategy.

Graham will provide a copy of the draft to the Board.

Cronin asked whether the Texas model was similar or different. Graham replied that the issues were different, but DOF looked at how they structured the report. Texas got advanced funding to develop a model for the assessments.

Maisch commented that the Council of Western State Foresters formed a Federal Lands Task Force out of frustration with the inability of federal lands to participate in active management. There are many similar

issues across the west. Much of the west is seeing their forest industry disappear just as Alaska has. The Assessment requirement came up quickly, and without much forethought or direction. The USFS wants to roll the state assessments up into one, but it will be difficult because each assessment is different. The states are quite critical of the process – it has been difficult, but we are getting the job done for Alaska.

Wolfe asked about the time component of this process relative to the federal Administration. Maisch said that it was started under the Bush Administration. The requirement came out of appropriators' concerns that they weren't getting the best bang for the federal bucks. They want to focus on priority issues. It's not clear how that will work with the combination of national and state priorities. The states are concerned that some states will be able to have strong programs and others won't.

Wolfe said that it sounds like the USFS has an answer in mind and is working through the assessments to get the answer they want. Is there some National Association of State Foresters momentum to look for other ways to address the concerns? Maisch said that we're beyond that threshold. The states were told that funding would be increasingly competitive about four years ago. Support for cooperative forestry programs was shrinking in Congress, and the assessment requirement results from that trend. The competitive aspect of current funding programs has turned the problem around to some degree. There is a Redesign Implementation Committee that includes the USFS, Natural Resource Conservation Service (NRCS), and states that is trying to be an interface with funders. Alaska doesn't have an option to say we don't want to play at this time. Graham added that the decisions are made in Washington, without much state input. Wolfe recognized that there has been a shift in funding and mission for the cooperative forestry programs from USFS to NRCS. Maisch noted that DOF doesn't have as strong a relationship with NRCS in Alaska as some states do. DOF is trying to work more with them. Most of the Alaska NRCS Technical Committee is related to agricultural services; forestry is a new field for NRCS in Alaska. Wolfe noted that he sits on the Technical Committee, and said there are opportunities to do more forestry work with NRCS.

Bosworth asked whether it is too late to look at the ecosystem services section of the assessment to recognize the importance of salmon more. Ecosystem services has so much wrapped into one place. Maisch suggested that DOF may be able to highlight salmon in the cross-cutting issues section. This is the kind of Board input we need. Bosworth noted that there is the anadromous waters database.

Maisch said that preliminary comments from USFS State and Private Forestry staff on Alaska's draft assessment are positive. Rogers and the cooperative program staff are the leads on this project.

Nicolls commended Maisch for his involvement with the National Association of State Foresters (NASF) – Alaska hasn't always participated actively and was less well off for that failure. Maisch responded that participation takes time, but it's worth it. NASF is a good organization.

New Business II

Overview of the state of the forest industry. Rick Rogers, DOF, and George Woodbury, Alaska Forest Association provided the overview (*see handout*). Rogers showed a graph of 50 years of harvesting in Alaska. The state is approaching a 50-year low in timber harvesting. Harvesting peaked in the mid-1990s at close to a billion board feet. In 1976, the harvest was dominantly federal. In 2006, Native corporation harvesting is the biggest sector, followed by the state, and then USFS, and the whole pie is much smaller. Nichols stated that the size of the Native corporation harvest will decrease in the near future, too. Woodbury noted that the state volume will also decrease now that Southern Southeast Area surplus is used up and the allowable cut is down to 8.4 MMBF.

Woodbury stated that environmental groups want the USFS to stop planning mid-size sales. The transition to second growth will take decades. Without old growth harvesting in the interim, Alaska will lose its entire harvesting infrastructure. The workforce is aging, and it's hard to hire qualified people. Nichols said that to restart this industry after a gap would take an incentive like the 50-year contracts that started the industry in the 1900s. Woodbury said that the federal Administration is putting out a restoration and second-growth policy, but Alaska doesn't yet have the second growth to support the necessary services and infrastructure. Restoration contracts don't create new jobs or wealth – they don't require many people to complete them or create products to sell. Restoration is supported by tax dollars, not by the value of the product. Rogers noted that the problem is not unique to Alaska – Montana just lost its last pulp mill.

Cronin said that the bust in construction nationwide is preventing investment now, and asked whether those problems could be overlooked for a long-term market. Woodbury said that with a long-term contract, you can find markets and get bank support.

Rogers agreed that markets change and adapt. In 1999, Alaskan forest exports went primarily to Japan, but in 2008, exports to South Korea were at a similar level, China is an emerging market, and there are even some exports to Europe. Cronin asked how much timber Alaska sells to the Lower 48. Nichols said that currently 10-20% of the total Alaska harvest is utilized in the US and 80% is exported. Viking has reduced exports to the Lower 48. The China and Korea markets are what allow continued operation, even for pulp logs that used to go to Canada. The timber industry shifts in response to changes in markets.

Rogers said that State timber sales average about 22 MBF per year. The southeast Alaska state land base is constrained. In the rest of the state, sales are a function of demand. That may change with emerging energy markets. The Renewable Energy Fund has allocated \$13.7 million for biomass energy – that will affect demand in some parts of the state. Wind and hydro offer free fuel, so they're attractive if you can get capital construction funds from the legislature. Wood can provide base load energy. AEA has hired a new biomass coordinator – Devany Plentovich. She's very sharp, and brings good experience running biomass boilers.

Cronin commented that wind power is now the bad guy for wildlife in the southwestern US. McLarnon reported that wind energy has also taken a downturn in the most recent AEA grants. Rogers noted that there are also aesthetic issues with wind.

Rogers noted that Alaska population continues to grow, especially in southcentral Alaska. The state is looking at designating about 700,000 acres for forestry in the MatSu. There are starting to be urban sprawl issues there. Demographic changes also affect the social license for forest management, that's why DOF invests a lot of effort to bring people along as we work on forestry proposals. There are some new advocates for forest management as a result of interest in wood energy. Maisch observed that support increases partly when people see local benefits rather than exports of raw material. We need to preserve working forest land in the Mat-Su now.

Wolfe noted that in 1988, the state wanted to do a Mat-Su timber sale that led to the 1990 FRPA revision. That is an area where controversies can erupt. The land sale program disperses remote parcels, and everyone then wants a big area of natural land around them. Maisch added that they all want expensive fire protection, too. Woodbury noted that the population in southeast Alaska is decreasing, which will result in decreased representation in the state government as well. Clark reiterated that two southeast schools were lost last year and four are in jeopardy this year due to population decreases in the Southeast Island School District.

Nichols noted that the USFS can't clearcut a unit until it reaches culmination of mean annual increment, which is about 90 years. That's a long way off for federal lands. To keep current employment in timber with restoration jobs would take \$40-50million in restoration contracts annually, and that won't happen. Restoration work used to be done as part of timber sale contracts.

Paul Brewster, USFS, agreed with points that had been made. He said the USFS is doing its darndest to paint the picture that once the industry is gone, it will stay gone. It is a challenge to communicate that. Everybody wants to see the USFS get to an industry based on young growth, but the time frame is the problem. Culmination of mean annual increment is just one piece of that.

Nichols commented that the USFS is talking about a "restoration economy", but doesn't have a definition of what that is. Brewster said he couldn't define it, but it is all about jobs. The USFS is trying to convey that a restoration economy that relies on appropriated funds doesn't work. You can't rely on it from year to year. Paying for restoration depends on using the old growth component to carry the freight.

Cronin asked Brewster to relay that moving to exclusive second growth harvest is not a good path. The USFS shouldn't leave old growth harvest out of the equation.

Woodbury said that if second growth was available, the industry would be harvesting it. There are all kinds of people who would like to be in second growth, but there isn't enough. Nichols noted that some second growth harvesting is being done, but there's not enough of it. Alcan employs about 150 people per year at jobs that pay \$20 – 70,000 per year. The restoration jobs are low-paying, part-time, manual labor jobs. The workforce is older and highly skilled at running complex equipment. Trading for lower paying jobs is devastating to communities.

Wolfe applauded the Tongass National Forest efforts to convince the Washington Office, but said that the federal Administration doesn't get the issue at all. Transitioning to young growth may be a good thing, but is not realistic yet. You have to hammer this point again and again. It's getting worse with this Administration. Maisch reported that the state is meeting with the USFS next week to work on their partnership and help convey those messages to the Chief of the USFS in Washington, D.C. The state is trying to engage, and get the Washington Office focused on real issues.

Woodbury encouraged the Board to come forward with a statement. TLMP implementation is running into the ground. More ammunition is needed for going to the US Department of Agriculture Secretary.

Wolfe distributed a handout showing the amount of old growth in the Tongass National Forest and how little is available for harvest (*see handout*). Nichols stated that Alaska is on the precipice of losing an entire industry which will impact the state side of things as well. Maisch said that the state understands that, and it is one reason why we're willing to have the Board engage. Vinsel commented that there is a hierarchy among public servants and citizens. The federal government should be even more responsible to the citizens. The "restoration economy" is like the Ponzi scheme for which Bernie Madoff is in jail.

Old Business III

Sustainable Forestry Initiative (SFI) update. George Woodbury, AFA, said the main thing is getting people to sign up and use the program. It's in place, ready to work, but it's not being used. Every once in awhile AFA receives an emergency call from someone wanting a certification stamp. People need to take action before it becomes an emergency. Maisch noted that the state is a licensee, but not is ready to go to next step of certification -- that would cost a lot more money and staff time. DOF considered dropping licensing, but Viking Lumber has needed it, so the Division decided to continue.

Woodbury said that funding for the Animal and Plant Health Inspection Service (APHIS) inspector for wood exported to China was in question through the US Department of Agriculture. Nichols responded that funding passed the Senate but was lost in House. Maisch will check in – it's an important function to the timber industry. That position provides a phytosanitary certification for wood exports to China.

FRPA standards re landslides and public safety.

Selective helicopter logging video. Marty Freeman, DOF, introduced a video of selective helicopter logging at Echo Cove, north of Juneau. Freeman noted that Board and agency discussions have referred to options for selective logging by helicopter in potential landslide hazard areas. This type of operation differs from the conventional clear-cut logging sites the Board visited on Prince of Wales Island last August. However, DOF and the Science and Technical Committee have not found any literature documenting studies of helicopter partial harvesting with respect to landslide occurrence. It is also difficult to see much on the ground in a winter field trip, but Goldbelt, Inc. produced a 9-minute video of operations about 1997 on their land at Echo Cove with photography of selectively-logged helicopter operations.

Joel Nudelman, DOF, also showed recent imagery of the logged area shown in the video. He noted that it is hard to find the harvested areas on photos, even at a detailed scale.

Nicolls said that selective helicopter logging is poor utilization of the wood resource. Nichols responded that Goldbelt, Inc., the landowner, wanted some money from their land without devaluing it for other uses. Utilization was lower, but the logger only took trees that could pay their way out. It was a landowner decision to optimize income from a costly operation. Maisch recognized that Goldbelt had other objectives for this property.

Vinsel recounted that he has walked the bank at Echo Cove repeatedly and it has healthy rearing for Dolly Varden and an influx of other salmon species. The waters coming out of the woods look healthy and undisturbed. He wouldn't have known it was logged. It is a nice play to enjoy – as much as before.

Nichols noted that the video was a promotional video, but as Nudelman's before-and-after imagery shows, there's little impact over time. He was unsure how steep the slope was at the Echo Cove site. Slenkamp noted that he had been involved with helicopter yarding on steep ground in Ketchikan and there haven't been slides there in the three to four years since harvesting.

Past harvesting. At prior meetings, some Board members noted that timber harvesting has already occurred in some of the polygons on the scoping map that are adjacent to inhabited areas. Based on staff knowledge, DOF identified polygons which were previously been harvested, and the method of harvest. Harvesting has occurred in most of the polygons. Freeman showed PowerPoint slides of the landslide assessment maps with annotations for past harvesting dates and methods.

Update on response to Board requests. Freeman also summarized actions regarding landslides and public safety since the October 2009 Board of Forestry meeting. At that meeting, Board members requested that the Division

- Revise the title and legend on the scoping maps,
- Consult with the AGO to determine whether public safety could be added to the FRPA section on mass wasting without affecting the other sections.
- Identify who has responsibility for public safety, and
- Identify options for addressing public safety issues associated with landslides.

DOF consulted with the Attorney General's office, who advised us that public safety could be added to one section of the FRPA, e.g., AS 41.17.060(B) (5) without requiring that public safety be considered under the Act's other provisions.

DOF also prepared four documents (*see handouts*). The first is the revised text for the scoping map legend (*see handout*). The second is an update of the *White Paper on Landslides, Public Safety, and FRPA*. The update includes a summary of the science and technical committee findings, an expanded section on other approaches to this issue that includes British Columbia and California, and a section on authorities for public safety.

- British Columbia – The B.C. forest practices act does not specifically address public safety and landslides, however, the Minister of Forests and Range has the power to intervene on any activity that is likely to have a catastrophic impact on public safety. The minister can stop the activity and require a remedy or mitigation.
- California -- The state review team for a timber harvest plan includes an engineering geologist who reviews the plan with respect to slope stability, and inspects sites if necessary. One purpose of site inspections is to look for public safety hazards, and if appropriate recommend additional measures to reduce hazards to public safety. The California Forest Practices Act doesn't directly address public safety, but actions under the Act must be consistent with the California Environmental Quality Act, which does include public safety. Timber Harvest Plans are also subject to interagency review and public hearings. In addition,
 - Use of heavy equipment for tractor operations is prohibited on steep or erosive slopes.
 - Mechanical timber harvesting other than cable or helicopter yarding is prohibited in winter.
 - Site-specific exceptions may be made through an individual Timber Harvest Plan.
 - Sensitive watersheds may be identified for additional planning and protection measures; designation is based in part on risks to public safety.
- Authorities for public safety reside in multiple agencies and all levels of government. At the state level, at least nine departments have authority for certain aspects of public safety. Local governments (e.g., municipalities under AS 29) and federal entities (e.g., OSHA, Federal Highway Administration, and Homeland Security) also have public safety authorities.

The third document is a draft chart showing options for addressing public safety issues from landslides associated with commercial forest operations. Freeman prepared the draft and consulted with other agencies to make sure information on authorities was correct. DOF has not pulled together an Implementation Group to further identify options – before undertaking that effort, the Division wants to be sure that the Board needs additional information beyond the chart. An Implementation Group requires a significant commitment of time from agencies and private entities, and many of the options are outside FRPA authority. The Board could not pursue those options beyond making recommendations to the responsible entity.

Lastly, we prepared a draft decision tree showing four general paths for addressing FRPA-related portions of the public safety issue:

- I. Amending FRPA to add public safety to the considerations for preventing or minimizing adverse effects of erosion and mass wasting
- II. No change to FRPA; Amend the regulations to adopt definitions to clarify authorities and BMPs to minimize effects on fish habitat and water quality, e.g., BMPs for helicopter yarding, selective harvesting, etc.
- III. No change to FRPA or regulations. Initiate addition non-regulatory actions such as training.
- IV. No new FRPA-related action.

Under all options, existing BMPs would apply, along with civil liability, and opportunities to address safety issues through local ordinances.

Like the Board, the Division of Forestry has been seriously weighing the options for addressing this issue. At this time, the Division's preferred alternative would be Option II on the decision tree. This would update the FRPA regulations to clearly define key terms, including,

- “unstable or slide-prone slope” (11 AAC 95.200(a)(9); .290(a),(b),(d)); .345(b)),
- “slope that has a high risk of slope failure” (11 AAC 95.280(d)(1)), and
- “fill material prone to mass wasting” (11 AAC 95.290(b) (2)), .345(b) (4).

It would also establish BMPs for harvesting and yarding methods in unstable or slide-prone areas, possibly including requirements for helicopter operations or partial harvesting in these areas. We believe Option II is necessary to address gaps in the existing BMPs, which would not be addressed by options III or IV. It also retains FRPA's focus on resource management, although these changes for water quality and fish habitat would have side benefits for reducing public safety risks. Given the small footprint of populated areas in risk zones on the scoping map, and the variety of land use actions that could result in slide hazards in populated areas, we believe the public safety component of landslide hazards is best addressed through land use regulation authorities. Freeman noted that areas with potential for slides near Hollis, Whale Pass, Port St. Nicholas, and Klawock Lake are currently outside incorporated communities.

If the Board chooses Option II, DOF would convene a scientific and technical committee to recommend definitions and updates to the BMPs, followed by an implementation group to determine how to best implement the technical recommendations on the ground.

Maisch asked whether the potential slide area on Mitkof Island is in the Petersburg borough. Ed Wood, Mitkof Highway Homeowners Association (MHHA), responded that Petersburg is a city, not a borough. Petersburg doesn't have land use regulations or zoning on that hillside yet. The city does have a hazard mitigation plan, and landslides are listed as the second priority for hazards, after downtown conflagration. Wood noted that the Board previously advocated for “one-stop shopping” rather than a collection of local ordinances to address this issue. Maisch recognized the value of “one-stop shopping”, but noted that some local governments such as the Mat-Su Borough already have local zoning that affects forestry. Nichols said that is true for the Ketchikan Gateway Borough as well. Wolfe stated that “one-stop shopping” is a laudable goal, but forestry operations also have Title 16, resident fish, and US Coast Guard regulations to deal with.

Nichols said that Freeman and the committee have done an exceptional job of answering the questions that came up. There are numerous high-risk areas, and all have been harvested. He is not aware of public safety issues in the last 20 years associated with those harvests. There is one parcel that's unharvested, and it's involved in a potential trade with the Mental Health Trust. Even areas harvested in 1960 wouldn't be harvested for at least another 20 years.

Cronin asked what would happen if there was a forest operation on state land, and there was an accident with logs rolling off a truck and impacting private property. Maisch responded that there would be an Occupational Safety and Health Administration (OSHA) investigation, a check for negligence, and troopers would be involved if it were on a highway. An actual log truck to log truck accident with property damage was handled like any other accident on a public highway. If a fatality occurred, OSHA would definitely be involved. DOF dealt with one fatality on a logging road at a railroad crossing. Cronin asked what would happen if a forest practice involved some impact other than a landslide. Nichols replied that almost every major landowner, including the state, requires general liability insurance. If there's an accident, there is a determination of whether it was operator error or beyond the operator's control. Wolfe said that Sealaska even requires silviculture operators to have liability insurance. Vinsel asked whether a policy would still be in effect if something happened after logging.

Nichols said that had never been tested. If something is associated with logging, it usually happens in a relatively short period of time, such as the following period. The big argument will be whether it was an act of God, or something done outside the law. Slenkamp noted that the Alaska Department of Transportation and Public Facilities has jurisdiction on all rights-of-way within 100' of the centerline.

McLarnon thanked the Science and Technical Committee. This issue was first brought up in fall 2007. She hoped the Board can come to a decision to give the MHHA some resolution. She asked how additional BMPs would affect loggers. Nichols replied that it would depend on the BMP. If helicopter logging is required it would be the first time. A buffer would affect the landowner. Other BMPs could be not letting slash accumulate. Freeman said that possibilities that have come up in requirements for helicopter logging, selective harvesting, on-site geotechnical reports, or there could be other guidelines. Wolfe said there could be considerations for where timber is left standing, such as V-notches, or steep slopes.

Nichols commented that the DGGs report (*see handout*) recommends identifying areas on the ground that had past slope failures, but the report notes that other areas may also be unstable. There are many slumps and failures both with and without harvesting that wouldn't have been identified in advance. Wolfe agreed, and said all landowners have seen that.

Paul Slenkamp, Mental Health Land Trust (MHT) forester, gave kudos to the Science and Technical Committee for its research. It shows that due to slope stability guidelines FRPA is functional and works well even compared to other states, even if it doesn't address public safety. With respect to the necessity of site-specific examinations – that happens in timber sale planning. It's in the landowner's interest to reduce risk. The specific Mitkof issue can be addressed through local zoning. Most of the identified areas in southeast have been previously logged with no prior impacts. He would like to show the Board the Signal Mt. and Minerva Mt. harvest areas near Ketchikan as example of logging near residential areas with no safety issues.

There's a fact sheet in the Board packet about the proposed MHT land exchange that would include the Mitkof Island area (*see handout*). Many high-value lands adjacent to communities went to the MHT to reconstitute the original land trust. The highest and best use for the Trust is timber harvest to generate revenue to provide mental health services. The Trust doesn't have a real option not to use these lands. The exchange includes lands near the Juneau, Wrangell, Petersburg, Meyers Chuck, Sitka, Skagway, and Ketchikan communities. The exchange proposal was started in response to resistance to harvest on the Mitkof hillsides. Slenkamp agreed that logging could be an eyesore. The MHT identified about 20,000 acres on Mitkof and near the other communities to exchange for about 50,000 acres of USFS land on Prince of Wales Island. The two pools of land will require an appraisal and then a value-for-value exchange. The MHT lands are high value because of proximity to communities for aesthetics and future land development. MHT lands are likely to be appraised at higher value than timber lands. There's a lot of public support for the proposal. One of the purposes in identifying 50,000 acres on Prince of Wales Island is to try to help sustain a timber industry. Slenkamp estimated that MHT could have a 20 MMBF sustainable harvest from the 50,000 acre land base. This is about the volume currently processed on Prince of Wales Island. Mental Health forest management would help the transition to young growth management. The MHT has committed to an in-state manufacturing program along with some export to maintain a viable economic ratio from the exchange lands. Timber activities would be regulated under FRPA, which provides for fish habitat and water protection. Subsistence and other public activities would continue to be allowed on land acquired in the exchange. Slenkamp noted that the MHT website has maps and other information on the exchange proposal. A bill has been drafted and should be introduced in Congress soon.

Nichols asked whether the MHT is committed to proceeding with an exchange regardless of how many acres they would receive in a value-for-value exchange, e.g., if it wound up being a acre for acre exchange. Slenkamp said that would depend on the specifics. Nichols asked how long it would be before MHHA will know what will happen. Slenkamp said that the best case a two-year process if legislation passed in fall 2010, followed by the appraisal process.

Slenkamp stated that if the FRPA changes in a way that would make the MHT land unharvestable, it would have a negative effect on the appraisal which could make the exchange unworkable. In response to a question, Slenkamp confirmed that the Alaska legislature also would have to approve the exchange.

McLarnon asked how soon the Mitkof parcel might be harvested. Slenkamp answered that the MHT had previously submitted a DPO and issued a contract. They stepped back from that at an economic cost to the Trust. They have since lost markets. The Trust's only option is to use its land to generate revenue. Cash flow from investments in recent years has not been good, so the Trust is looking for money. The mental health clients of the state are the beneficiaries of MHT revenue. The exchange is a win-win-win for communities, Trust beneficiaries, and timber.

Wolfe said that the two-pool concept makes perfect sense. Factors such as aesthetics will have little value in an appraisal. Do these steep lands have a higher and better use than timber? Slenkamp said there could be in the future for the slopes, and there are some parcels close to the road that have other values now. Wolfe asked how the exchange would be affected if FRPA prohibited timber harvest on this area. Slenkamp said that if areas cannot be harvested it would reduce the exchange value, and even timberland has a relatively low value. Nichols commented that the only high value is where land can be subdivided. Slenkamp noted that the MHT also has a land sales program, and it's very easy to saturate the market in these areas.

Maisch recounted that when the FRPA riparian buffers were established, some people said it was a taking, although landowners voluntarily agreed to the buffers. Additional restrictions on steep slope harvesting could have a risk of taking unless agreed to by all parties. Slenkamp noted that helicopter harvesting limits future economic value – you can only fly the high-grade timber out. It's an expensive process. Nichols asked what the MHT would require if it harvested the Mitkof tract today. Slenkamp replied that the prior DPO was for a selective harvest with helicopters in slide-prone areas, and limited road construction. It would be hard to go back in now. Nichols asked whether there is an agreement with the MHHA not to do anything prior to an exchange decision. Wood said no, but that the MHT Land Office director Harry Noah agreed to look at the issues before deciding.

Wolfe noted that a resident asked the Petersburg City Council about an 80-acre exclusion to the exchange. Slenkamp explained that the MHT excluded an 80-acre parcel with two active rock pits on Mitkof from the proposed exchange. Access to the parcel has been difficult. There are steep slopes above it, but slopes within the pit area are about 20%. Operators have blasted in the rock pit for years without slides resulting. The MHT decided to retain that parcel. There may be subdivision potential in that parcel. Wolfe asked whether excluding that parcel would affect slide potential. Slenkamp said that there's been a lot of past activity on that site without slides, and he would expect that activity to continue that. He noted that the Petersburg City Council did pass a resolution asking the MHT to include that parcel in the exchange proposal.

Wolfe recommended that decision tree Option III, including training, should remain an option. The length of what would be involved in Option II might not be merited by what would come out of it. The State Forester could use a stop work order to prevent problems. Maisch explained that the state forester can only issue a stop work order for an existing or likely violation of the Act – not for public safety. He

concurred that training is important, but said that Option III doesn't get to where we need to go, especially with respect to helicopter logging which wasn't a common practice when FRPA adopted.

Cronin asked whether the second decision point on the tree operates under existing authority only. Maisch said yes.

Nichols said that in a landslide situation, if you have a public safety issue, you have already impacted water and fish. If you address water, fish, and landslides adequately it will address public safety issues associated with landslides. Cronin agreed that if you develop BMPs to protect water quality and fish habitat you will reach the same goal.

McLarnon asked whether the DPO has a check box for steep slopes. Nichols said there is a box— for unstable slopes. Freeman added that there are BMPs attached to areas with unstable or steep slopes. Nichols asked whether a check in the steep slope box warrants an on-the-ground inspection. Could that be a public safety check-box? Maisch said that it couldn't be a public safety check-off without a change to the Act. Nudelman said that seeing a check in the box does alert reviewers, and those operations typically get added scrutiny. DOF can't tell landowners they can't operate in those areas, but can make recommendations. In Icy Bay, for example, DOF recommended against an upper road, which the proposer pulled back.

Vinsel said that with the Mitkof Highway close to the road and the marine channel, fish migrate there. He agreed that threats to public safety also would affect fish.

Clark recounted that he has been on both sides of a DPO. As a DOF forester, he would want to do a prior inspection on a DPO with steep slopes and roading. As an operator, he would want DOF to come out as another set of eyes to check layout. He might also want to check with DEC. ADF&G may or may not want to come out.

Wood reported that there is only one salmon stream in the MHHA area and it is not in the MHT area. He said that he did ask Pat Palkovic, DOF forester, to come and check for public safety concerns and she declined to do that. Maisch said that it is correct that DOF couldn't consider public safety as part of the DPO. Wolfe said that there would still be water quality issues.

McLarnon wants to be sure that the Board's choice doesn't jeopardize a land exchange -- would rumors of a process affect the effort to go to the Legislature in the fall? Would Option II jeopardize a land exchange? Slenkamp said it would depend on what BMPs are written. The MHT proposed timber sale already implemented BMPs much beyond what DPO required. Risk is something the Trust deals with. If new BMPs reduce the amount of timber to be harvested, it would affect an exchange. Maisch said that the proposed exchange shouldn't be weighted too heavily. Wood commented that the MHT lands may not be valued higher in an appraisal, but they have a high political value.

Freeman clarified the process under Option II – DOF would convene a Science and Technical Committee which would make recommendations to the Board. If the Board believes the recommendations are on the right track, DOF would take them to an Implementation Group with representatives of the affected interests, including forest landowners, homeowners, timber industry, etc. The Implementation Group would be charged with figuring out how to make the science and technical recommendations work on the ground in a practical manner. The group's recommendations would be brought back to the Board for their review before deciding whether or not to proceed with the formal regulatory process. DOF wouldn't proceed with regulations on which the Board can't reach consensus.

Cronin suggested that if the agencies saw something going on that was counter to the law but not in their authority, they could notify whoever does have that authority. Option II is a good way to go, as long as problems identified are forwarded to whoever does that authority. Maisch noted that no entity currently has authority for this issue except for local governments, and they haven't taken that step in the Petersburg area. Cronin said that if FRPA has good BMPs for its authority, but citizens still have concerns, it's out of our hands. We're going in circles because we don't have the authority. Maisch noted that the issue for the Board is whether to request a statutory change to grant that authority to FRPA.

Nicolls observed that the Board is working hard to try not to amend the Act. Down the road there might be other safety things that might have us want to get into safety. Maisch noted that under in AS 41, DNR does have public safety responsibility for life and property with respect to wildland fire. Equipment safety issues are covered by OSHA. Nichols said that the two issues are the potential for slides and for impacts to water supplies. Hanley stated that drinking water supplies are covered by DEC. Wolfe commented that there is a narrow incidence of this problem.

Wolfe agreed that restrictions on harvest can affect land value. However, with the variation process the timber industry can get significant value out of riparian areas. We shouldn't ignore value – if harvest were to be prohibited, we would have to look at that. If changes put a private landowner in that position, they have changed the dynamics of FRPA.

Bosworth moved, and McLarnon and Nicolls seconded the following motion:

- ▶ **That the Board adopt Option II from the decision tree. McLarnon and Nicolls seconded.**

Nichols said that he wouldn't support Option II because he didn't know what direction the BMPs would take. He supported Option III with training for DOF. If the unstable slope box checked, a field visit should be required. He is willing to consider recommendations for BMPs before endorsing. Freeman clarified that Option II isn't a commitment to adopting regulations, but it is a commitment to draft proposed BMPs which would then come back to the Board for a recommendation on whether to proceed or not. Wolfe said that the Board needs to vote the motion up or down, or offer a friendly amendment clarifying that. The offeror and seconders accepted a friendly amendment to the following language.

- ▶ **That the Board adopt Option II from the decision tree. Option II is the process of drafting BMPs for review by the Board before deciding whether or not to proceed toward adopting them as regulations.**

Cronin asked whether there are other non-regulatory options besides training. Foley suggestion that there could be more inspections.

- ▶ **Motion unanimously adopted.**

Freeman said the next step would be convening a Science and Technical Committee to recommend appropriate BMPs. She asked for Board input on the types of expertise that are needed on the committee, and on individuals who can provide that expertise.

Nichols recommended including helicopter harvesting expertise, and recommended Columbia Helicopters.

Cronin asked whether there is a way of getting at taking issues if recommended BMPs would restrict landowners' ability to harvest timber. Maisch said that "taking issues" were addressed in developing the riparian buffers. Private landowners willingly donated that value for the greater good. Cronin said that

issue should be reexamined by the state as a whole. The state has discussed the decline of the timber industry, and more restrictions on harvesting or a reduction of the land base is a concern for industry survival. Wolfe said that he appreciated Cronin's identification of the issue. However, if the state undertakes that they should do it from a resource perspective, otherwise we'll be back to 1989 with two opposing lines of high-paid lawyers and ten years of litigation. He is hesitant to go there. FRPA gave the industry the rules they needed to operate. Nichols added that one of important compromises was not having a revocable permit.

Wolfe requested that Science and Technical Committee meetings be kept in southeast Alaska, since that's where the issue is. The agencies should recognize that it's an expense for the industry to participate. Freeman agreed, and noted that meetings to date have either been held in southeast or conducted as web meetings.

New Business III

Update on Conservation Education programs. Matt Weaver, DOF, provided an overview of DOF's conservation education programs: Project Learning Tree, Fire in Alaska, Tapping into Spring, Alaska's Boreal Forest, Early Childhood, and Places we Live. The goal is to connect teachers and students to nature, to get nature into the classroom, and classes into nature. The object is to teach students how to think, not what to think, and to teach them to think for themselves. Students should be willing to research all sides of a question, and not be swayed by the latest jingle. Weaver noted these programs train the teachers, and then they do the work – it's value-added education.

Weaver said that the fire management agencies can never have enough equipment to control fires across Alaska. Therefore, we need to educate people on how to take care of themselves, and to recognize risks. Through Fire in Alaska, teachers and students learn about forests, fire ecology, and fire behavior. They go into the field and learn how to do home assessments. DOF wants to teach knowledge, awareness, and action through fire education.

Tapping into Spring teaches how to tap birch trees, and students learn about tree physiology.

Alaska's Boreal Forest is a field-based program for learning how to measure and cruise timber, take data for a 1/20th acre plot, and measure physical, chemical, and biological characteristics of streams

The Early Childhood module was developed because kids form attitudes and impressions at early ages. These lessons are fun and interactive.

Alaska received a Gold Star Award for its conservation education programs. These programs depend on volunteers. The program keeps growing and developing new offerings.

Kristen Romanoff, ADF&G Division of Wildlife Conservation oversees the Project Wild curriculum and Alaska wildlife curriculum. ADF&G and DOF work closely together on conservation education.

Romanoff explained that the No Child Left Inside Movement started in 2005 with the book *Last Child in the Woods*, by Richard Louv. A generation is growing up without a relation to the natural world: "nature-deficit disorder". It is affecting physical health, school achievement, and self-discipline. Kids are happier, healthier, and smarter when connected to the natural world. Where will future stewards come from? Universities are seeing a decline in students pursuing natural sciences. Outdoor experience is affected by hurried lifestyles, liability, safety issues, access, and technological entertainment.

The No Child Left Inside Act passed the federal House of Representatives with strong bipartisan support. The Act would enable states to include environmental education throughout their schooling. It would help provide support for professional development for teachers. In March 2010, the bill was reintroduced, and included in the department budget and the President's Blueprint for Reform from the Department of Education. It is likely to be included in the No Child Left Behind reauthorization and revision. States must have an environmental literacy plan in place to receive federal funds for environmental education. Alaska is just starting work on its plan – it will be designed to connect youth with the natural world and the communities in which they live. Plan development is being led by Alaska Natural Resource and Outdoor Education (ANROE) with a diverse group of participants. *See handout* BOF members are all stakeholders. There are community coalitions in Kotzebue, Juneau, Anchorage, Homer, and Fairbanks that are participating.

Nicolls said that he gets really excited about this. He is working on a school forest proposal in Juneau. He presented a copy of Louv's book to Sarah Palin.

Weaver added that he would love to have DNR get involved.

Wolfe offered one caution. He recounted that in a middle school, an ADF&G official was participating with teachers on a field trip to a salmon stream, tributary, etc. His son's notes about salmon habitat and streams included a note that the Sitka pulp mill went down and the economy didn't change. He is very sensitive to these issues. Weaver said that the goal is to try to get people to be good citizens and consider both sides of a question. He gets enraged when an ad tells him what to think. These programs can't advocate for a particular outcome, but can help teach people how to think.

Romanoff said that the conservation education initiative will allow Alaska to do better training with the volunteers, teachers, biologists, and others who help deliver the programs. We don't want to represent things with bias.

Nichols stated that everybody has biases. He shares Wolfe's caution. Nicolls added that some USFS interpreters on the state ferry system tell passengers every summer that natural muskegs are actually clearcuts. Romanoff agreed that it's important that people have good information. Once children learn misinformation, it's hard to unlearn it. You can't learn about the environment without learning about people and their needs and resource uses. Maisch said these programs are aimed to help people recognize misinformation.

Preparation of BOF annual report to the Governor.

Nichols requested that the letter to the Governor,

- State that recent federal timber management decisions have a direct impact on state forest resources and the forest industry. The Governor should request that the USFS fully implement TLMP and meet the timber industry demand. If not, the USFS should pay for state damages. Wolfe responded that he would want to see the specific language before endorsing a policy requesting damages.
- Seek to increase state forest resources through more land selections
- Ask the Governor to direct state representatives to ask whether the TFR endorses TLMP or not. He would leave the decision up to the Governor of what the state decides to do with TFR if they don't endorse it. Maisch noted that none of the TFR primary members challenged TLMP in court. Nichols said that the timing is good because there was a recent court decision upholding the plan. Wolfe said he would be flabbergasted if TFR endorses the plan. If they don't, then how do you get out. Democracy is run by those who show up. It is imperative that the state continue to show up at TFR. Nicolls asked whether the Board is suggesting that state representatives do these things, or asking the Governor to do them. If we know what the outcome will be, why bother, why not choose a different

route? Nichols replied that he recognizes that TFR is working on some non-timber issues and he doesn't want to weigh in on that. Maisch explained that the Board's letter goes to the Governor, who could then tell the agencies what to take to TFR. Bosworth commented that the proposed question is a fair question.

Wolfe recommended that the letter

- Express support for the state Tongass timber sale process (the Tongass Team) with Moselle and Clark working diligently to get reasonable sales that someone can bid on.
- Support the question raised by Nichols', but recommend that the state continue to participate in TFR.
- Recognize that the Governor has gone to bat for TLMP implementation and timber sales in litigation (e.g., intervenor, friend of the court, etc.).
- Highlight the economic struggles in southeast Alaska, including school closings, and identify that this is the result of a failed federal policy.
- Briefly state support for the state's intervention in the roadless rule issue.
- Clarify the disconnect between where young growth is, and where we want to go with young growth in the future.

Bosworth responded that he would wait to see the specific wording on Wolfe's suggestions.

Cronin said that the letter should

- State support for old growth harvesting now and in the future, not just until young growth is available. A future emphasis on second growth might be okay. Nichols added that there's 5,000 acres of blowdown in Yakutat that is not being harvested because of the USFS desire to avoid old growth harvesting. Nicolls said that it's like supporting alternative energy and therefore turning off gas right now. Maisch suggested that the letter could phrase it as continuing to take advantage of both old growth and young growth harvest. Wolfe said this is a transition period to harvesting a greater proportion of young growth, or perhaps even primarily young growth.

Maisch emphasized that these recommendations are material for the draft letter which will be circulated for Board review.

Cronin commented that the state's focus has been on opposing endangered species listings. The Board hasn't discussed the specifics. Maisch observed that the standards and guidelines in the new TLMP were set with the intent of avoiding the need for listings. We shouldn't address this in the Board's letter since we haven't talked about it, e.g., listing decisions for wolves and goshawks. Prevention is better than listing. Cronin stated that for wolves, there is a federal document that the southeast Alaska wolves are not a subspecies, but that finding hasn't been publicized beyond the scientific community yet.

Wolfe said that completion of the Native land entitlements is a priority, including Governor's support for Sealaska's land entitlement legislation, and resolution of the five landless communities' claims. Vinsel asked whether that would mean that the Board supports the Sealaska legislation. Maisch said that it has those connotations. Vinsel reported that the United Fishermen of Alaska recently sent a letter raising issues on the legislation. Wolfe replied that he is aware of the issues in the letter and will try drafting language that doesn't put other Board members in a difficult position.

Vinsel recommended that the letter

- Support the statement from DOF report that FRPA is effective. It should point out that most other areas are seeing loss of salmon, while Alaska still has healthy salmon runs. That's the result of state resource management, including FRPA. Nichols added that it is also due to good stock management by the state.

- Note improvement on low compliance scores on culverts in Region II, but state concern for backsliding in Region III, and for the decreased funding for road maintenance due to lack of commercial harvesting while personal use harvesting has increased. The State still has the responsibility to protect the forest resource while providing for personal use. Forest roads are an issue. The USFS is closing roads, and state and private owners are having issues. Adequate funding for road maintenance is an issue. Maisch agreed that is a big issue. DOF builds a lot of roads. Rogers noted that in recent hearing, the Department of Transportation and Public Facilities made it clear that they still have some Roads to Resources funds and are asking for more.

Cronin said that letter should review the general state of the timber industry. Wolfe said that can be included in background information on the struggle in southeast.

Vinsel suggested including the sentence that Alaska yellow cedar and Sitka spruce are some of the best species in the world for interesting uses – that's reason in itself to continue to provide this to the world. Nichols agreed that Alaska has the best spruce in the world for some characteristics, including for musical instruments.

Maisch recommended that the letter discuss emerging biomass opportunities. Wolfe urged caution because the federal administration is hanging its hat on that issue. The letter should note the importance of wood residue for keep wood energy economical.

Vinsel noted that this governor didn't have a transition briefing on these issues.

Bosworth said that the letter should recognize the importance of the Habitat Division work with regard to the anadromous catalog and fish passage. They are doing a great job. Nicolls said that after the Board's Hoonah meeting about three years ago, he talked with Jackie Timothy who said how well things worked with Habitat in DNR. Now they've moved back, and while the move was disruptive, it was probably good overall because there have been fewer complaints about permitting. They are performing admirably, and he commended them for their professionalism throughout the moves. Vinsel noted that the Habitat Division has done a lot of rehiring and rebuilding. Nicolls commented that there are fewer personal agendas outside the job now. Wolfe said that the letter shouldn't address the location for the Habitat division.

McLarnon recommended including a pat on the back to the Governor for the Southeast State Forest bill, and reiterating the Board's support for the bill.

Wolfe reported that FRPA has been under assault in public meetings in southeast. He wants the Board to vigorously defend FRPA's protection of fish habitat and water quality, and the success of compliance monitoring and effectiveness monitoring. Wolfe will provide a draft. Maisch said that he might also consider writing an op-ed piece for the local paper.

Maisch asked whether the letter should address funding for the Habitat Division given the loss of Section 319 money in FY12. The biggest concern with the decrease in funding is for the Habitat because they don't have General Fund support for FRPA, and they had that at one time. Freeman noted that the ADF&G report shows that they do have General Fund match money, and suggested working with Howard on the correct language. Maisch noted that the decreased funding is not a lot of money compared to the state budget, and said it is sometimes hard to get legislative attention for smaller requests. Wolfe emphasized that when FRPA was amended, landowners didn't contest takings, and part of the deal was that there would then be adequately funded state agencies – that is part of the bargain. The letter should address that loss of Section 319 funds for effectiveness monitoring as well.

Nicolls recommended including the legislative resource committees on the distribution list.

Wolfe said the letter should note that good interagency cooperation continues to be an underpinning of the Act's success.

McLarnon raised the issue of staff retention and the brain drain. Maisch said that the letter could reiterate prior statements on this issue.

Next meeting location, date, and agenda. The summer Board meeting will be August 23-25, 2010, in interior Alaska, and will include a field trip to see biomass energy, forest management, and fire management sites between Fairbanks and Tok.

Summer meeting agenda items

- 2010 agency budgets
- 2010 legislation
- Climate change and carbon credit update
- State & Private Forestry Statewide Assessment and Strategy
- Forest planning update
- DOF region updates
- FRPA Landslides committee and implementation group update
- Tongass Land Management Plan implementation and Tongass Futures Roundtable updates, including an update from the USFS or have a representative; invite new USFA Region 10 Regional Forester
- Wood energy updates, including activity in Haines; invite Devany Plentovich
- Timber and biomass inventory process
- Invasive species on forest land and forest operations
- Interior field trip – wood energy, hazardous fuels, invasive species

Board comments

- Foley: this was a good meeting. His other points are covered in the discussion on the Board's letter to the Governor. He encouraged Board members to read the current issue of RDC's Resource Review – it has four pieces addressing topics covered by Board. It is posted online at akrdc.org.
- Wolfe reported that Sealaska will be hosting forestry field trips to Big Salt June 18-19, 2010. Doug Martin and Mike Newton will attend, and the trips are open to the local community.
- Nichols appreciates the Board's time spent on Tongass issues. It's a huge portion of the timber industry that's left, and is now a political issue. The employment issues are a great concern. He said Freeman did an excellent addressing issues raised by the Board.
- Vinsel said that he has learned a lot in his first year on the Board, and looks forward to continuing.
- Bosworth commented that this Board works well together.
- Cronin said that there were good presentations.
- McLarnon thanked the agency staff for their support and presentations. She also thanked Ken Bullman, Mat-Su Area Forester, with whom she has worked a lot on trail issues, and DOF has come a long way.
- Nicolls said it was a good meeting, and was glad it was in Juneau. He express abhorrence of the term "restoration"; it's part of what used to be called "management". Now it makes it sound like we've done something wrong. The ethics lecture was insulting. With legislative ethics problems running around maybe it was needed. How can someone make money out of this board? Freeman explained that the presentation was done at DOF's request to answer questions that were raised by Board members at the last meeting.

Adjournment. The meeting was adjourned at 5:30 p.m.

Handouts

- Draft Agenda
- Public notice
- Draft minutes of November 2008 meeting
- Habitat Division ADF&G FY11 budget authority chart
- 2009 Overview brochure for ADF&G Division of Habitat
- Division of Forestry FY11 budget update
- 2009 Overview brochure – ADF&G Division of Habitat
- Division of Forestry FY11 Budget Update
- Briefing: HB 162 Southeast State Forest
- Proposed SE State Forest maps
- Tongass National Forest old growth schedule
- Alaska Executive Branch Ethics Act (AS 39.52) – Highlights for Alaska Board of Forestry members
- 2009 Compliance monitoring results, 3-1-10
- 2009 Annual reports to the Board of Forestry
 - DNR Division of Forestry
 - ADF&G Habitat Division
 - DEC Division of Water
- Timber industry report to the Board of Forestry, March 18, 2010
- Copy of aerial imagery of Echo Cove logging area
- Landslide Science & Technical Committee
 - DOF white paper on landslides, public safety, and FRPA
 - Chart of options for addressing landslide and public safety issues
 - Landslide and public safety decision tree
 - Sample map and legend
 - E-mails from Ed Wood (3) + USFS hazard map and Combellick report
 - DCCED planning powers poster
- Alaska Mental Health Trust Authority Proposed Land Exchange Executive Summary and maps
- Alaska Mental Health Trust US Forest Service Land Exchange Proposal – copy of PowerPoint slides
- Alaska Natural Resource & Outdoor Education Association letter re Alaska Environmental Literacy Plan
- Thank-you letter from the Alaska Community Forestry Council
- *The Oregonian*: “Budget cuts could mean the end of Oregon’s forest protection rules”, Dec. 6, 2009
- Notice of proposed changes in the regulations of the Department of Law
- Forestry Strategic Plan – Updated February 2010

Attendance

Paul Brewster, USFS
Clarence Clark, DOF, speaker
Mike Curran, DOF, speaker
Mark Eliot, DOF, speaker (by teleconference)
Marty Freeman, DOF, speaker
Cindy Gilder, DEC (by teleconference, Anchorage)
Jeff Graham, DOF, speaker
Kevin Hanley, DEC
Kerry Howard, ADF&G, speaker
Bob McAlpin, DOF
Michele Metz.
Kyle Moselle, ADF&G, speaker
Joel Nudelman, DOF
Rick Rogers, DOF
Kristen Romanoff, ADF&G, speaker

Jim Schwarber, DOF, speaker (by teleconference)
Paul Slenkamp, AMHT
Nathan Soboleff
Ken Stump, DOF
Jackie Timothy
Ed Wood, Mitkof Highway Homeowners Association (by teleconference)
Matt Weaver, DOF, speaker